

What Was Left of the Groundnut Scheme? Development Disaster and Labour Market in Southern Tanganyika 1946–1952

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The East African Groundnut Scheme in Tanganyika is probably the most dramatic and most cited failure of the ambitions of British late colonial developmentalism. Issues of labour supply in the scheme's short history, and the relationship of labour supply with the peasant economy of Southern Province, have received almost no attention, a gap which this article aims to begin to fill. It suggests that the implementation of the scheme gave rise to a political battle over labour market control between the colonial state in Tanganyika and scheme managers. The paper documents how, without any support from the colonial administration, the scheme attempted to recruit the large numbers of workers it required, and its frustrations in doing so. It investigates the factors that prevented labour supply satisfying demand, how peasants in the area engaged with the labour market (and were able to adjust their participation in it), and the impact of labour market growth on the household farm economy.

Keywords: colonialism, groundnut scheme, labour markets, Tanzania

THE CONTEXT

As Liebenow (1971) put it, Tanganyika was the Cinderella of Britain's colonial empire and its Southern Province was Cinderella's Cinderella.¹ Agriculture there was constrained by an environment of uncertain rainfall and poor, mostly sandy soils. The lack of agricultural potential influenced the unwillingness of

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¹ For a synopsis of the late pre-colonial and early post-colonial history of the Southern Province see Rizzo (2004, 9–20).

the colonial state, first German and then British, to invest in the area and its infrastructure, most notably its road system. Transport by lorry became possible only in the late 1920s, and even then there was but one major road connecting the coast with the interior. The appalling state of roads strongly influenced the conditions of the agrarian economy, and constrained the expansion of agricultural commodity production. For example, in 1945 peasants in the area could profitably produce grain only within eight miles of the ports (Kilwa, Lindi and Mikindani). While sesame and groundnuts were produced for sale up to 150 miles from the ports,² the high costs of transport and their deduction from the prices received by producers were a major barrier to the growth of commodity production.

In 1945 the agricultural production of the Southern Province was estimated at £634,673, of which 45 per cent (£290,040) was generated by peasant farmers whose most important crops were grains and sesame. Considering that the population of the Province at that time was almost entirely rural, and estimated at about 800,000 people, the low level of development of peasant commodity production is evident.³ The most important commercial activity in the agriculture of the Southern Province was the production of sisal, which had begun on settlers' estates during the period of German rule. British settlers took over the estates once Tanganyika became a British Mandate in 1922. The estates were the major source of demand for wage labour in the Province. In 1939, 7500 workers were employed in sisal cultivation. In 1947 this figure had reached 17,000.⁴ Wages in the Southern Province were lower than in other sisal estates in the Central and Tanga provinces, but estate owners succeeded in securing an adequate labour supply of mostly migrant labour, drawn from the neighbouring northern zones of Portuguese East Africa (Mozambique) and the upcountry (interior) districts of the Southern Province (Masasi and Tunduru) rather than the coastal areas where the estates were located.

Sometime in June 1946 the government in the Southern Province issued an order to prevent, until further notice, the burning of forest, which was done to clear land for cultivation. The rationale behind this order, according to a remarkable early account from Mr Makwinja, African Field Assistant at Farm 2, in his article on the scheme in the pages of *Habari za Nachingwea katika Kiswahili* (Nachingwea News in Swahili) was that the British 'wanted to survey the land from an aeroplane in order to assess whether it was suitable for cultivation' and did not want their aerial survey obstructed by the smoke of bush fires.⁵ Here Mr

² Provincial Agricultural Officer, Southern Province Annual Report, 1945, TNA 16/15/44 Vol. 2. The acronym AR will be used to identify Annual Report from here on.

³ I do not have information on the population of the Southern Province in 1945. The Southern Province Annual Report for 1948 states the total provincial population at 789,000. See Southern Province AR, 1948, TNA 16/11/260. Information on the composition of exports from the Southern Province prior to World War II can be found in Becker (2001, 155–6).

⁴ Information on the number of people in employment on sisal estates in 1939 has been gathered from Becker (2001, 181). On 1947 see Labour Officer, Southern Province AR, 1947, TNA 16/11/260.

⁵ 'Habari za Nachingwea katika Kiswahili' (Nachingwea News in Swahili), No. 1, date received 4 June 1952, TNA 16/32/35 Vol. 2.

Makwinja referred to the Wakefield Mission (named after its leader) charged with evaluating the feasibility of the large-scale cultivation of groundnuts, and which, after just nine weeks mostly spent flying over the bush of Tanganyika, gave its approval to one of the biggest investment schemes in post-war colonial Africa. As Mr Makwinja later recalled:

There were rumours about White men coming to cultivate large farms of groundnuts and that people would get the chance to go and offer themselves for work and be paid very good salaries. That was about mid 1947 and *the rumour turned out to be true*. (Emphasis added)

Within a relatively short time, however, the groundnut scheme and its spectacular failure was to become emblematic of the fallacies (or fantasies) of late colonial developmentalism, above all as applied to transforming agriculture in environmentally inhospitable tropical conditions. What was the process by which the groundnut scheme was established in colonial Tanganyika's 'Cinderella' province (as well as several other areas of the territory)?

The Groundnut Scheme: From Conception to End

The groundnut scheme was part of an attempt by the British government to address the worst economic crisis Britain had faced since the Great Depression from 1929.⁶ After the end of World War II, the USA announced the end of its financial aid to its allies. Britain's need to address its balance of payments deficit was intensified by an acute shortage of vegetable oils and fats. Britain depended heavily on imports of these commodities for its own consumption, and they were both in short supply and very expensive in international markets.

In this context, the groundnut scheme was conceived as a way to address the world shortage of vegetable oils and fats through large-scale agricultural operations on African soil. A key player was Frank Samuel, managing director of the United Africa Company (UAC). UAC was a subsidiary of Unilever, a multinational colossus that supplied about three-quarters of the margarine consumed in Western Europe and two-thirds of the soaps utilized in the UK and its colonies. After a tour of Africa in search of new areas for the production of vegetable oils, Samuel was impressed by the contrast between land scarcity in Nigeria and land abundance in Tanganyika. When he approached Tanganyika's Director of Agriculture to investigate the possibility of investing in a plantation of oil-producing plants, he was advised that Unilever could have approximately 100,000 acres of land to farm. The Director of Agriculture also made clear that the Tanganyika administration had no funds to finance the undertaking. He suggested that Samuel approach the Ministry of Food in London for support, as the British government was about to be forced to cut vegetable oil and fat rations due to the shortage of

⁶ Unless otherwise stated, this summary account of the East African groundnut scheme is based on Havinden and Meredith (1993, 276–83); Morgan (1980, Vol. 2, 285–319, Vol. 4, 54–91); and Wood (1950). On the role played by the colonies in Britain's economy during and immediately after World War II, see Havinden and Meredith (1993, 206–75).

these products noted above. Samuel left for London, with the more ambitious figure of 2,500,000 acres in mind.⁷

Samuel's epic plan to address the problem of British vegetable oil supply was received with strong interest by the government and a mission of three experts was dispatched to East Africa to assess its feasibility. They were John Wakefield, a former Director of Agriculture in Tanganyika and leader of the mission, John Rosa of the Colonial Office and D. L. Martin, head of the plantation department of the United Africa Company.

After nine weeks in Kenya, Tanganyika and Northern Rhodesia, six of which were spent surveying land from an aeroplane, the mission found Samuel's proposal sound and advised the government to invest in a scheme for the mechanized production of groundnuts on some 3,210,000 acres of land. About three-quarters of this area was in Tanganyika, where three sites were selected: Kongwa and Urambo along the central railway, and Nachingwea in the Southern Province (see Map 1). As labour supply was perceived to be a likely problem, the scheme envisaged the mechanization of the entire process of production: from the clearance of bush and the preparation of soil, to the planting and harvesting of the groundnuts.

The plan was approved by the British government in December 1946. In February 1947 its implementation began with frantic urgency. UAC was the managing agency until March 1948, when the Overseas Food Corporation (hereafter OFC), a body entirely funded by British public money, was set up. The expected outcome of the scheme was an annual production of 600,000 tons of peanuts by the fifth year, and eventually an annual output of 800,000 tons. The planned cost was £24 million against a scheduled annual saving to the British government's bill for food imports of £10 million. What happened in practice was, first, that the targets of the scheme were reduced year after year while, second, its cost was progressively adjusted upwards.⁸ When it was finally shut down in 1951, over £36 million of British public money had been spent on a scheme that imported more groundnuts as seed than it actually harvested.

The Reasons for Failure

The main reasons for the failure of the scheme have been summarized usefully by Coulson (1977, 75–6). First, rainfall at the largest site, Kongwa in Central Province, was inadequate for the cultivation of groundnuts. In selecting this site, the scheme planners had relied on rainfall data for the last seven years only. Furthermore, the data used referred to an area close to Kongwa (named

⁷ Samuel's expansion of the acreage in the scheme's plan was simply an exercise in arithmetic. Samuel was aware of the shortages of peanuts on the international market. He was given information on the cost and yields per acre of the mechanized farming of peanuts by the Director of Agriculture in Tanganyika, and simply expanded the acreage of the scheme so that it could meet the estimated global shortage of vegetable oil.

⁸ For a clear and concise reconstruction of the striking contrast between the scheme's goals and results see Hogendorn and Scott (1983, 172–4).

Map 1 The location of the production areas of the Groundnut Scheme



Tanganyika Territory: Proposed Areas for Groundnuts Production Scheme

Map planned by A. E. Kelleway, Historical Section, Cabinet Office.

Mpwapwa) that received, on average, more rainfall than the Kongwa site. Local people in fact referred to Kongwa as ‘the country of perpetual drought’ (Ilfie 1979, 442).

Second, no in-depth analysis of soils was carried out before the implementation began. The clay content made agricultural operations impossible during the dry season and therefore considerably slowed the implementation of the plan. Furthermore, the abrasive nature of the soil resulted in the rapid deterioration of agricultural machinery.

Third, none of the machines used had been tested in a tropical area and, fourth, the maintenance of agricultural machines was hampered by the lack of spare parts and by the inexperience of drivers and mechanics. Furthermore the supply of new machines and spare parts was complicated by the congestion of the ports in both Mombasa and Dar es Salaam.

Fifth, Rosette disease attacked groundnuts awaiting harvest in Urambo and Nachingwea. There was no treatment for this disease, nor a resistant variety of groundnuts, which the scheme's managers had been made aware of prior to planting.

Sixth, although many of these shortcomings became obvious shortly after implementation began, key decisions about the scheme were made by a Board of Directors based in London. These high-ranking bureaucrats just could not believe that things were not going according to plan.

Seventh, the large numbers of agricultural machines necessary for the scheme were not available on the international market. The solution was to round up tanks left over from World War II and convert them to bush clearing machinery. This recycling and adaptation of old machines increased the operating costs of the plan and decreased productivity.

In addition, as this paper will show, the difficulties encountered by the scheme's managers in recruiting labourers were another factor that contributed to the failure of the scheme. This is because agricultural work on its farms had frequently to slow due to the inadequate number of workers available.

Thus, as Coulson put it, the scheme's rushed planning resulted in the fact that it 'had so many flaws that if it had not failed for one reason it would still have failed for another' (1977, 76). The misconceptions and errors listed earned the groundnut scheme its status as one of the most famous disasters in colonial development history. One strand in the literature considers its effects for the subsequent development of Tanganyika. For Ehrlich (1976, 311–12) the dismal results of the scheme discouraged potential foreign investors in Tanganyika. Yet, as Iliffe (1979, 442) pointed out, there is no evidence that any scheduled investment was withdrawn because of the scheme's failure. Hill and Moffett (1955, 734) claimed that the goods and agricultural machines imported for the scheme had a negative impact on the balance of trade of Tanganyika. However, as the British government funded the entire scheme from its inception to its abandonment, goods shipped to Tanganyika for the scheme did not contribute negatively to Tanganyika's trade balance but rather to the accounts of the British Treasury. Kirby (1962, 115) advanced an alternative argument that the scheme provided an impetus to state investment that stimulated development in Tanganyika. Whilst the proposed link between the implementation of the scheme and a long-term developmental impetus is interesting, Kirby failed to provide any evidence for his claim.

Another strong current in the literature (for example, Hogendorn and Scott 1983; Cooper 1963; Thomas 1973) presents the groundnut scheme as the paradigmatic example of the follies of agricultural development in the tropics that is large scale and state led. For example, Hogendorn and Scott attempted to rank, in order of importance, the relative weight of what they perceived to be 'costly, but correctable, inconveniences' as opposed to the 'fundamental mistakes' (1983, 174) of the plan. The fundamental weaknesses they identified were the failure to launch a pilot project before the beginning of the scheme and 'overconfidence in the power of capital to bring results' manifested in a number of 'unwarranted assumptions . . . about the economic feasibility of mechanization and about the

cost savings that were expected to result'. To this they added, drawing on Frankel (1955), that:

this emphasis on scale in agriculture is surprising, as it is generally accepted that agricultural enterprise is the least likely of economic activities to realize returns to scale [. . .] the factors of production in farming cannot be easily centralized and supervised, and that the insufficient homogeneity of these factors does not allow for efficient, organised, repetitive production processes. (Hogendorn and Scott 1983, 183)

Thus Hogendorn and Scott use their case study of the groundnut scheme as an entry point into the debate on economies of scale in agricultural development. Drawing on Hogendorn's work (1978) on the history of groundnut production in Nigeria, they concluded that government support to Nigerian peasant groundnut farmers to expand their production 'might have proved to be a more rapid and lower-cost' strategy to boost the colonial supply of vegetable oil and fats (1983, 187). Whatever the merits of this argument in the particular circumstances of the time, the use of the example of the groundnut scheme to propose the intrinsic irrationality of large-scale agricultural production is unwarranted. This, of course, touches on a much wider debate that is beyond the scope of this paper.⁹ My interest here is to consider the impact of the groundnut scheme on the Southern Province of Tanganyika, a theme that has largely escaped the attention of historians.

The Groundnut Scheme and the Local Economy

The historiography of the groundnut scheme thus emphasizes its failure to achieve its targets, and the massive waste of funds it entailed. However, the scheme had effects for areas of Tanganyika where it operated that have been largely neglected. In the Southern Province, the scheme funded a dramatic rise in the number of people in wage employment, the improvement of roads, and the building of better health and educational facilities. It also stimulated rampant inflation of both goods and wages, and social unrest, of which the spread of alcoholism, prostitution and theft were the most obvious symptoms.

Some contemporary witnesses, and subsequently some scholars, were alert to more positive local effects of the scheme. For example, Wood (1950, 76–7) reported that on the day a post office was opened at Kongwa, African workers deposited the very considerable sum of £100. On the negative side of the scheme's impact, Wood noticed that food price inflation made small farmers who depended on food purchases struggle to make ends meet, and believed that this

⁹ For some authoritative voices in the debate see Griffin (1974), Lipton (1977), Berry and Cline (1979), Cornia (1985), Sen (1966), Patnaik (1979), and Dyer (1991). For the latest intellectual exchange on the theme see Griffin et al. (2002). The article by Griffin et al. was then criticized by a number of political economists in *Redistributive Land Reform Today*, a special issue of the *Journal of Agrarian Change* (2004, vol. 4, nos. 1 and 2) to which Griffin et al. (2004) responded.

accounted for the appearance of underweight babies (1950, 83). The report of a later mission from the World Bank (International Bank for Reconstruction and Development 1961, 23) noted that ‘the injection of purchasing power by way of the expenditure of those engaged in the [groundnut] scheme appears to have given a certain stimulus’ to the economy of Tanganyika.¹⁰

Of subsequent academic researchers, Liebenow noted the wealth accumulated by some of the scheme’s workers, as well as the negative consequence of ‘the mild epidemic of theft, prostitution, and other social problems’ (1971, 18). Becker (2001, 293) emphasized the impact of the dramatic increase in wages and prices on social change through the ‘increased mobility and encounters’ they made possible. At the same time Becker doubted any longer term effect on economic change, concluding that the money injected by the scheme was mostly used for short-term consumption, in contrast to the observation of Wood (above) and other contemporary participants and observers.

Researchers who looked beyond the scheme’s failure provide indications of how the impact of the scheme might have interacted with processes of socio-economic change endogenous to the Southern Province, and in ways that provided a more enduring legacy to the area. While some of the sources cited point to this possibility, they did not pursue its investigation. For example, Wood, Liebenow and Becker all remarked on wage and price inflation linked to the scheme, but none tried to explain this inflation and, by extension, to explore interesting questions raised by so sudden and sizeable expansion of the labour market in colonial conditions. Why were employers forced to raise wages? If the colonial state had supported the scheme strongly, surely labour supply could have been assured without any significant increase in wages. If it did not, then why not? And what were the implications? Similarly, why did local markets experience such rampant rates of price inflation of basic commodities (wage goods) during the scheme period? A somewhat different matter concerns the training provided by the scheme to produce skilled and semi-skilled African workers, noted at the time by Seabrook (1957), and whether that represented a developmental legacy of the scheme. Was there a significant impact on the local economy of the activities of those who had acquired skills and savings from scheme employment, after the end of the scheme? This is something I have explored elsewhere through the life histories of former scheme workers who became significant entrepreneurs/accumulators in trade, transport and farming (Rizzo 2004).

Let me draw again on the words, and perceptions, of Mr Makwinja:

Mr Editor, I would like to ask for some space to talk to the editors and readers of this holy newspaper [. . .] I try to present a brief report from the beginning of groundnuts in Nachingwea until *these days of great prosperity*. (Emphasis added)¹¹

¹⁰ Unfortunately the mission did not explain what this stimulus consisted of.

¹¹ ‘Habari za Nachingwea katika Kiswahili’ (Nachingwea News in Swahili), No. 1, date received 4 June 1952, TNA 16/32/35 Vol. 2.

This paper seeks to delve more deeply into those 'days of great prosperity'. The next part of the paper provides a thematic description of the implementation of the scheme, focusing on the strategies employed by its planners to achieve their goals, and considers how these strategies interacted with endogenous forces of socio-economic change in the Southern Province. The analysis starts by outlining the shift from apparent labour abundance to evident labour shortage within the Province, induced by the scheme. This is followed by an outline of the ideological and practical reasons for the colonial administration's fears that the expansion of migrant labour would impoverish the rural areas supplying migrant labour. The scheme management, in contrast, needed a steady increase in the numbers supplying the labour market in the Province. These different agendas led to a clash between the scheme management and the colonial state. There is also much evidence of the dynamics generated within the Province by the ready availability of work at high wage rates offered by employers anxious to recruit labour in conditions where they lacked state support.

The rest of the paper assesses the economic impact of labour market expansion. Firstly, the main cause of the difficulties faced by employers, namely the inadequate supply of wage goods and the implications of this for labour supply patterns, is discussed. The analysis then moves to assess the links between labour market growth and peasants' food security (with which the colonial administration was so preoccupied). Factors which made a dramatic increase in the numbers of wage workers employed possible without any visible decrease in food security are suggested.

THE IMPLEMENTATION OF THE GROUNDNUT SCHEME 1947–1952

Before moving to the analysis of the impact of the groundnut scheme on the Southern Province, it is necessary to provide some background information on available statistics on the labour market. As is often the case with research on labour markets in Africa, and especially so for research on the colonial period, available data for the period 1947–1952 are far from precise. Ideally, one would like to have reliable detail of the number of people in employment per year, the breakdown of annual and seasonal workers, the number of months spent in employment by seasonal workers, the areas of origin of workers, and variations in wage rates over time and between and within areas in the Province. However, as Table 1 shows, even considering the most basic statistical information, i.e. the total number in employment per year, whenever two different sources on this exist for the same year, they suggest remarkably different figures. Furthermore, no information exists on the proportions of the total number of workers that supplied the labour market seasonally or annually.

Kitching referred to the incomplete and shaky data on labour markets in colonial Kenya as a 'statistician's nightmare' and cautiously treated them as 'indicative of trends but not of exact magnitudes' (1980, 248). The same reasoning must apply to the use of probably even less reliable statistics on the labour market in Southern Tanganyika during the period under consideration here. In

Table 1. Wage employment in the Southern Province, 1947–1952

	<i>Sisal</i>	<i>OFC + Ancillary works</i>	<i>Total</i>
1947	17,000	4,600	21,600
1948	15,153	17,000	32,153
1949	12,218	23,257	35,475
1950			32,800–40,000 ^a
1951			40,000–58,154 ^b
1952	18,593	16,158	34,751–41,050 ^c

OFC = Overseas Food Corporation.

^a 32,800 and 40,000 are, respectively, the Provincial Commissioner's data and the Labour Officer's estimate for the year. Unfortunately, the archives provide no indication of how these figures were derived, nor why there were different estimates from different parts of the same administration.

^b The first figure is the Labour Commissioner's estimate. For the second figure the Provincial Commissioner quotes as source an (unpublished) enumeration of people in employment held on the 31 July 1951.

^c 34,751–41,050 are, respectively, the Labour Officer's and the Provincial Commissioner's data.

1947 the number in enumerated waged work in the Southern Province was 21,000, of whom 17,000 were employed on sisal estates. In 1951 the figure was something between 40,000 and 58,000, of whom the majority were employed by the groundnut scheme (including its ancillary works). Thus, despite the imprecise nature of existing statistics, it is possible to discern that the growth of the labour market generated by the scheme was rapid and dramatic. In five years the numbers in wage employment at least doubled and perhaps nearly tripled. Although statistics on the breakdown of skilled and unskilled workers are sporadic, they suggest that the numbers of skilled (and better remunerated) employees were highly significant. For example on 30 May 1951, 39 per cent of the workforce employed by the OFC was skilled with the remaining 61 per cent classified as unskilled.¹² Another remarkable fact is that only 41 per cent of the workforce, both skilled and unskilled, were employed in agricultural work. Fifty-nine per cent were employed in ancillary work, such as supply and transport, general administration, engineering trades, and the construction of saw mills and water pipelines. Labour migrated to the scheme from an area stretching from Kilwa in the North to Northern Portuguese East Africa in the South, and Tunduru in the West (see Map 2). Further west of Tunduru, in Songea District, the implementation of the scheme did not seem to have any significant impact. There 'the call of South Africa' characterized the main destination of labour migration, as

¹² Labour Commissioner, 'Quarterly Report on Labour Problems of the Groundnut Scheme for the period 1 April to 30 June 1951', PRO CO 822/281.

Map 2 Administrative boundaries of the Southern Province in 1947



suggested by the ‘significant’ number of South African Postal Orders reaching the district.¹³

The Southern Province in 1947: From Labour Abundance to Labour Shortage

The implementation of the scheme in the Southern Province began in 1947, a relatively good agricultural year. Unusually well-spaced rains throughout the planting and growing seasons resulted, according to the 1947 provincial report, in ‘plentiful harvests’ which, combined with rising prices for agricultural produce, led to a ‘general wave of prosperity and optimism’.¹⁴ Throughout 1947 the labour requirements of the scheme in its initial phase were modest. Yet the Labour Officer for the Southern Province already anticipated big changes in the making. According to his projections, the number of workers required by sisal estates would remain constant at 17,000, whilst demand from the scheme and its ancillary works was expected to grow quickly from 4600 to 25,450 workers. He noted that most sisal planters were beginning to realize the risk of being short of workers unless they improved working conditions on their estates. Although

¹³ Songea District AR, 1947, TNA 16/11/260.

¹⁴ Southern Province AR, 1947, TNA 16/11/260.

they had started losing labour to other sisal plantation areas (in Central and Tanga Provinces) prior to the scheme, they were now becoming ‘seriously alarmed by the progress they saw all around them’.¹⁵

The main change brought to the Province by the scheme can be understood only by looking at ‘its backward era’, prior to the scheme, when sisal growers enjoyed a *de facto* monopoly in the local labour market.¹⁶ According to the Labour Officer’s account, wage goods were plentiful enough for a relatively small workforce and wages were reported to be low, although not as low as in Portuguese East Africa. Consequently, people whom the colonial authorities labelled ‘Mawia’ crossed over the border with Portuguese East Africa to supply southern Tanganyika with an ‘excellent quality’ workforce. Furthermore, during this era of labour abundance, sisal growers believed – ‘quite rightly’ according to the Labour Officer – that local people such as Makonde, Machinga and Mwera were affected by something called ‘coastal inertia’ and hence provided only second-class workers.¹⁷ In other words, the above account suggests that before the groundnut scheme the bulk of wage workers in the Southern Province were migrants, especially from the south, while the African population in the vicinity of the coastal sisal estates contributed only marginally to labour supply.

Following the Labour Officer’s story, the sisal growers’ advantageous lack of competition from other employers changed slightly when wages rose on the sisal estates around the Central and Tanga railway lines. Mawia seemed to become aware of better employment opportunities outside the Southern Province and as a result spent only short periods working on the sisal plantations there as a stopover to recuperate from their journeys from their home areas in the Portuguese colony to the south. Once they had thus accumulated ‘a little cash and food’ they continued to the Tanga and Central province estates in search of higher paid work. After a period of one to two years they would return home with money, clothing and other goods.

When implementation of the groundnut scheme began in the Southern Province, sisal estate owners now faced competition in the local labour market, as well as from employers outside the Province. Work for the scheme started with the construction of a railway linking the port of Mtwara with Nachingwea, where the central site of groundnut cultivation was to be located. This initial stage increased the aggregate demand for labour in the Province by only about 25 per cent: 4600 people were employed for this construction phase. Yet the railway builders still experienced ‘considerable difficulties’ in filling their labour needs,¹⁸ as this additional demand for labour coincided with the good harvest year noted above. Lack of an adequate number of ‘gunny bags’,¹⁹ and other limits on the ability of traders to handle this bumper harvest meant that peasants were unable to reap benefits in cash income from selling their produce. The

¹⁵ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Bags made with a coarse heavy material, used for packing agricultural produce.

widespread availability of food in turn acted as a disincentive to seasonal participation by rural men in the labour market.

'Those Days of Great Prosperity': Some Evidence (1947–1952)

Despite the limitations of existing data, it is clear that the implementation of the scheme, however artificial its stimulus, had real effects. It was artificial in the sense that wage employment expansion and wage rate inflation (see below) in the Southern Province were not the effect of any intrinsically capitalist development and increase in labour productivity in the area but, on the contrary, were the outcome of a major imperial investment project that was as hastily conceived as it soon proved itself a failure. However, the effects were real for the thousands who became seasonal or annual wage workers, many of them for the first time.

The archival sources contain useful indications of the impact that an expanding labour market driven by wage rate inflation had on the economy of the Southern Province. In Mikindani District, for example, as early as 1947 'full available employment, good crops and good prices' led to a steep growth of Native Treasury revenue.²⁰ The trend continued in the next year when the District 'could no longer complain of too little money and too little done: indeed a social and economic revolution was beginning to make itself felt'.²¹ Contributing to this incipient 'revolution' were the 'European invasion', 'abundant work', 'improved wages', 'good prices' for produce and wares, 'the arrival of mighty mechanical equipment, the laying of the oil pipe line and the commencement of the oil tank erection work'.²² Furthermore it was observed that 'the influx of Europeans connected with the groundnut project and its ancillary schemes' had brought 'a big boom to trade in the little township of (Old) Mikindani'.²³ This continued once more into 1949, described as a 'very busy and progressive' year in Mikindani.²⁴ All forms of revenue increased, and traders were reported to be prospering. Despite a disappointing agricultural season, the local population seemed to be contented with 'plenty of money available', the effect of 'the unlimited demands for labour of all sorts'. The speed at which the African population adjusted to these unprecedented opportunities forced the colonial administration to revise its usual assumptions about innate African backwardness. Observing an old man of fifty working in the team operating a big excavator, the District Officer remarked that 'he looked as if he had been doing it all his life' and went on to praise how the local African 'has been able to absorb all the new things about him'.²⁵

²⁰ Mikindani District AR, 1947, TNA 16/11/260. By 'full available employment' the District Officer did not mean that labour supply was adequate. He rather referred to the new employment opportunities that the groundnut scheme brought to the African (mostly male) population.

²¹ Mikindani District AR, 1948, TNA 16/11/260.

²² Ibid.

²³ Ibid.

²⁴ Mikindani District AR, 1949, TNA 188/GEN/1/15.

²⁵ Ibid.

Upcountry from Mikindani, on the border with Portuguese East Africa, Newala District saw similar developments. In the words of the District Officer

the people of the fertile but waterless Newala plateau found 1948 bring them further out of their thickets into the harsh light of progress. Money as easy as never before, and a man could sell his crops, his goats, and his labour at prices that would have seemed fantastic a few years ago.²⁶

There is an interesting reference to opportunities for entrepreneurial activities in the form of the burgeoning hawking business. A passage states that ‘goats command a price as high as 100 shillings a head if taken down and hawked to the camps in the Lukuledi Valley [within the groundnut scheme area]; the prices of chickens and eggs are similarly inflated’.²⁷ Fierce competition for both skilled and unskilled labour made itself felt in this district as well. Concerning skilled workers, it was observed that the district had been denuded of *fundis* (craftsmen) by ‘the Scheme’. Concerning unskilled workers, it was estimated that at least 5000 had left the Makonde plateau during the year, arguably because those returning from wage work outside the district ‘look[ed] fatter, fitter, and better dressed than when they left’.²⁸ One distinct feature of the archival material on Newala District is that, alongside the positive effects of the scheme, some negative effects are also documented. For the Newala District Officer

as might be expected the demand for ‘fundis’ and for unskilled labour is so great in the coastal block, that both are difficult to enlist for any task in the district, and very lackadaisical in the performance of any job however obviously of public benefit.²⁹

In Lindi District the 1949 report stated that the groundnut scheme was ‘the dominating factor’ in the economy. The administration was engaged in obtaining the agreement of locals to set aside land for activities related to the scheme, and paying out ‘large sums of money in compensation’. Furthermore, it was observed that ‘the vast expenditure of money by OFC and its ancillaries and the obvious possibilities for the development of the area led, of course, to the opening of new mills, shops etc., and many demands for [house] plots’.³⁰ New trading centres were started in villages as far as 70 miles upcountry. Money collected from the issue of trading licences grew by more than 75 per cent in one year, from £5407 in 1947 to £9539 in November 1948. A growth of more than 50 per cent was also registered in the receipt of court fees, demonstrating that development in the area was accompanied by increased social unrest. The number of cases heard rose from 171 in 1946 to 571 in 1948.

²⁶ Newala District AR, 1948, TNA 16/11/260.

²⁷ Ibid.

²⁸ Newala District AR, 1948, TNA 16/11/260.

²⁹ Ibid.

³⁰ Lindi District AR, 1949, TNA 16/11/260.

The consequences of labour market expansion were also felt at the western and northern extremities of the Southern Province. In the west, in Tunduru District, carpenters were reported to be increasingly more difficult to obtain and, when available, 'set a higher price on their services than they are worth'.³¹ In the north, in Kilwa District, 'several hundred men' were reported to have migrated to find employment with the OFC and had done so successfully.³²

In short, and beyond differences between districts, all District Officers converged in observing the stimulus of the scheme on their districts' economy for the period 1947–1949. An increase in trade volume, and 'easy' money for workers and the local state, were the most notable consequences of an expanding and inflated labour market.

As in the previous years (1947–1949), the unprecedented circulation of money in the Southern Province, associated with the implementation of the scheme and an on-going wage war between the scheme and the sisal plantations, was characteristic of 1950 and 1951. The Provincial Commissioner, in his report for 1950, stated that money was plentiful throughout the Province due to the abundance of work and good prices for agricultural produce. The number of people in employment kept rising to a reported 32,800, and wages were defined as 'good'. The colonial administration continued its efforts to moderate the wage war throughout the province, without complete success. The Provincial Commissioner noted that 'most employers have co-operated in this respect, though there have been instances of attempts to start wage competitions'.³³ In the same year a report suggested that the groundnut scheme was doing better in labour recruitment than the sisal industry.³⁴

Given all the evidence of dynamism, the Provincial Commissioner was not pleased that the colonial administration in Dar es Salaam – despite the dramatic changes in the economy of the Southern Province generated by the scheme – still believed that the role of the province in the Territory's division of labour was to supply labour to other provinces. From his perspective, his administration not only had to cope with the steadily increasing numbers of immigrant workers supplying the expanding labour market in the Southern Province, but also still had to allow employers from other provinces to continue to try to recruit labour there after the scheme had completely subverted the image of the Southern Province as a labour-abundant area. And since developments in the Southern Province between 1947 and 1950 caused this image and the reality to diverge so dramatically, he argued that 'the time has now come when the Southern Province should no longer be considered as a reservoir of labour for other parts of the territory'.³⁵

³¹ Tunduru District AR, 1948, TNA 16/11/260.

³² Kilwa District AR, 1948, TNA 16/11/260.

³³ Tanganyika Territory, *Annual Reports of the Provincial Commissioners for the year 1950*, PRO CO 736/31.

³⁴ 'Quarterly Report on labour problems of the Groundnut scheme for the period July to 30 September 1950', PRO CO 859/195/2.

³⁵ Southern Province AR, 1950, TNA 16/11/260.

Significantly, the Provincial Commissioner's complaint was voiced in 1950, when the future of the scheme began to be questioned, and this uncertainty started to affect ancillary works in the Province. However, the impact of the scaling down of the scheme's activities differed from district to district. In Lindi District the retrenchment of the OFC and the withdrawal of its sub-contractors in 1950 caused the District Commissioner to speak of a regression 'from the boom town of 1948 into something which, if not nearly the sleepy hollow of pre-war days, is considerable less busy than in the past few years'.³⁶ Some of the traders whose businesses expanded, thanks to the presence of the OFC and contracting companies in Mkwaya, saw the profitability of their shops decline. Two of them were reported to have given up their activities and to have moved to Nachingwea, where the scheme was still being financed on the same scale as before.³⁷ In Lindi town, the decrease of employment opportunities was not accompanied by a decrease in inflation, and for part of the population it became 'hard to make both ends meet'.³⁸ However, in the rest of the district there continued to be a surplus of cash which was not soaked up by the high prices of goods. The District Commissioner observed with some relief that the contraction in job opportunities did not result in unemployment because it coincided with the beginning of the agricultural season, which suggests that the bulk of unskilled workers returned, with no major disruption, to the farming they had pursued before the scheme. The departure of the scheme contractors in Lindi had also 'flooded the market'³⁹ with skilled and semi-skilled workers, most of whom – like the two traders above – were reported to have relocated to Nachingwea where they found jobs.

A different atmosphere can be discerned from Newala District in 1950 where the incipient scaling-down of the scheme's activities seems to have had no impact as Newala mainly supplied labour to the Nachingwea areas of the scheme. For this reason the District Officer's report for 1950 states that 'people in the district continue to enjoy prosperity. Work for all in the Province these days, and a large number of Makonde from Newala have gone off for a few months at a time to tap this source of easy wealth.'⁴⁰

The expansion of the labour market supplying the Southern Province continued in 1951 when the number of people in wage employment reached its highest level – 'wages rose and so did the cost of living'.⁴¹ It appears that demand for skilled employment declined whilst demand for unskilled work increased, although the reasons for this trend are not clear. Concerning the former the Labour Officer reported that 'a fair proportion of those skilled and semiskilled men' that the OFC could no longer employ left the Province;⁴² the increased

³⁶ Lindi District AR, 1950, TNA 16/11/260.

³⁷ *Ibid.*

³⁸ *Ibid.*

³⁹ *Ibid.*

⁴⁰ Newala District AR, 1950, TNA 16/11/260.

⁴¹ Labour Officer, Southern Province AR, 1951, TNA16/13/25.

⁴² *Ibid.*

demand for unskilled labour was met 'through a fairly large influx' of labour from Portuguese East Africa. In 1952, when it was noted that unlike 'the preceding five years [. . .] employers generally have been satisfied with the supply',⁴³ the scheme had begun to wind down. From 1952, employers in the province (most notably sisal planters but also what was left of the groundnut scheme with its much reduced ambitions) could once more plan their recruitment and wage strategies on the basis of relatively abundant labour.

THE POLITICS OF LABOUR MARKET REGULATION IN A COLONIAL CONTEXT

As noted earlier, the rise in labour demand stimulated by the beginning of the groundnut scheme in 1947 coincided with a relatively good harvest by peasants in the Southern Province. This implies that from the outset the scheme managers had to confront, in a land-abundant area, issues of labour supply generated by the huge labour requirements of the scheme. Such issues had been predicted by the Tanganyikan colonial administration even before the scheme began. The administration's unsympathetic attitude towards the scheme and its labour demands can be discerned in a statement by William Battershill, Governor of Tanganyika. Addressing the labour supply issue in April 1946, shortly before scheme implementation began, he first proclaimed his enthusiasm for the forthcoming investment. Then, having discounted the possibility of any financial commitment to the scheme by his administration, he stated: 'Miller thinks there would be no great difficulty. But I am not myself as optimistic as he is [. . .] In any case I feel certain that we must never guarantee the Company a plentiful supply of labour'.⁴⁴

He was not alone. Orde Browne, the unrivalled authority in the field of labour markets and their management in colonial Africa at the time, was called to give his view on the scheme and in particular its labour requirements. He emphasized the unforeseen problems that labour market expansion would provoke, suggesting that estimates of labour requirements

[did] not show the ancillary needs, and these will be serious. Just as the man in the fighting line requires several others on communications behind him to keep him there, so a great body of subsidiary workers are needed indirectly by any large construction. The thousands employed in preparing the ground cannot be producing any food; in addition, they will involve extra calls for transport, shipping, port labour, and the services of the country generally; and the expenditure of the very large sums involved will entail a great increase in trade and business, with corresponding additional employment. Therefore it is necessary to make the preliminary stipulation that the actual numbers required for each stage of the scheme will be

⁴³ Labour Officer, Southern Province AR, 1952, TNA16/13/25.

⁴⁴ Battershill (Governor) to Caine (CO), 23 April 1946, PRO CO 852/603/6. At the time of the scheme Miller was the Director of Agricultural Production in Tanganyika.

considerably larger than those shown in the Report, if the general labour economy of the country is to be considered.⁴⁵

About two weeks before Orde Browne's observations, at a meeting at Government House in Dar es Salaam, the Director of Agricultural Production had expressed his concern that African farmers would abandon their own cultivation in favour of wage employment on the scheme (whose labour recruitment targets he also considered underestimates, as Orde Brown did). Furthermore, the same meeting unanimously dismissed a suggestion from the Ministry of Food that additional labour could be recruited from Portuguese East Africa, concluding that any such approach to the Portuguese colonial authorities was 'politically mistaken and must be ruled out'.⁴⁶

Thus, even before its implementation began, the groundnut scheme and its labour requirements were shaping up as a battlefield for different positions on colonial development. Experts in London had hurriedly put together a plan to boost groundnut exports. Their plan resonated a faith in mechanized agriculture and an implicit mistrust of the potential of increasing production sufficiently from African peasant production.⁴⁷ However, the passage of this view from the centre of the empire to its local agents in Dar es Salaam and the provinces of Tanganyika was not to be smooth for one main reason: that it deviated from the colonial policy developed in the interwar period to mediate the conflicting objectives of safeguarding the interests of African peasants (for whom the British mandate was 'trustee') and labour employers in Tanganyika. The main goal of that colonial economic policy was first to stimulate (or require) peasants to meet their own food requirements, i.e. household and local self-sufficiency of food supply.⁴⁸ Once this goal was secured, farmers could then further contribute to Tanganyika's economy in two ways: through producing a surplus (of either or both food and cash crops) or by supplying labour to employers in the country. The focus on peasants' food security derived from two facts. Firstly, as Kaijage put it, 'Tanganyika was a mandated colony which the British administered under

⁴⁵ Orde Browne, 'Some comments on the Groundnut Report from the point of view of the labour required', 12 November 1946, PRO CO 852/603/7.

⁴⁶ 'Note of a meeting held at Government House on the 29 October 1946 to consider the report of the Groundnut Commission to East and Central Africa as it affects Tanganyika', attached in Battershill to Caine (CO), PRO CO 852/603/7.

⁴⁷ The ideology behind their choice was clearly stated in a passage from a paper that was read by Sydney Caine (Deputy Under-Secretary of State at the Colonial Office) to the African Governors' conference in 1947.

There is today general agreement that African agriculture cannot secure the improvements in productivity which are necessary by continued dependence on the efforts of the individual family working with primitive tools and that radical changes in the system of agriculture are required in order to permit operations on a larger scale, with increased use of mechanical assistance and with the basic object of increased productivity.

See 'Appendix VI: the Economic Development of Agricultural Production in the African Colonies', in Sidney Caine (Chairman), 'Report on the Committee on the Conference of African Governors', 22 May 1947, PRO CO 847/36/47238, quoted in Cooper (1996, 210).

⁴⁸ On colonial policies on food security see Bryceson (1990, 65–8); and Mascarenhas (1968, 37–59).

the watchful, and often critical, eye of the League of Nations' (1983a, 3).⁴⁹ As one of the goals of the mandate was the promotion of the economic well-being of Tanganyika's inhabitants, hunger and/or malnutrition would represent a clear betrayal of the task set for Britain by the League of Nations. Secondly, as proposed by Cowen and Shenton (1991, 155), a Fabian vision of colonialism with the primary objective of protecting 'the colonial subject from the supposed ravages of the market' informed many colonial officers' understanding of their mission.

Thus, ideology and practical reasons converged to make the history of Tanganyika in the interwar period one in which 'officials had to strike a careful balance between the labour requirements of capitalist industry (mainly mining) and agriculture on the one hand and the interests of the essential peasant sector on the other' (Kajjage 1983a, 3). This balance was achieved in part by dividing the country into economic zones. The potential for peasant production in particular zones determined whether out-migration for wage employment would be encouraged there or not. This process of specialization between different areas of Tanganyika assigned to the Southern Province the role of food producing area first, and labour reserve zone second.

Some evidence of the approach of the Southern Province administration towards wage employment prior to the scheme can be seen in a letter, dated August 1946, from the Senior Agricultural Officer to the Provincial Commissioner. The former stressed the Territory's insecure food situation and ruled out the possibility of exempting sisal plantations from the imperative to produce food for their labourers. He reported that most sisal estates were not feeding their labourers adequately and that workers were drawing their food supplies 'from the meagre quantities available for sale at the markets'.⁵⁰ He went on to emphasize 'the imperative that all estates, without exception, must plant foodstuffs so that the produce may be available for rations' and enclosed a list of quantities of pulses, grains and oil seeds necessary for a labourer's diet for one year. These food crops, he prescribed, should be inter-planted with young sisal or in widely (doubly) spaced older sisal. In other words, the use of Tanganyika's soil for sisal estate production was to be allowed by the local administration only if estates also produced full food rations for their workers.

According to the colonial administration, the groundnut scheme's need to procure labour would likely result in the withdrawal of thousands of men from their small farms, hence disrupting food production and supply. Furthermore, the food provisioning requirements of large numbers of wage workers in the Southern Province, notwithstanding the fact that the scheme managers were responsible for feeding their workforce, would reduce the contribution of the Province's farmers to Tanganyika's exports.⁵¹ Indeed, it was from the Southern

⁴⁹ See also Kajjage (1983b). On labour in Tanzania see Shivji (1986).

⁵⁰ Senior Agricultural Officer (Southern Province) to PC (Southern Province), 8 August 1946, TNA 16/15/6/V.

⁵¹ Evidence of the scheme managers' responsibility for the nutrition of their employees can be deduced from the fact that whenever a figure on the number of people in employment with the OFC is given, it comes with a breakdown of those employees receiving rations as opposed to those receiving cash in lieu.

Province that the food supply for these workers was to originate from in the first instance.⁵²

Amongst the measures adopted by the Tanganyikan colonial state to influence the labour market was control over labour recruitment. The Labour Commissioner had the authority to issue recruitment licences, which he deployed to influence the numbers of labourers employed by the scheme and its contractors and the kinds of work they did. For example, in August 1948 the OFC reported that 'the Labour Commissioner has refused to issue us with a licence to recruit labour in the Southern Province on the grounds that the labour already employed is not being properly used'.⁵³ Two months later a further OFC application to recruit 4000 workers was turned down again due to 'inadequate accommodation and use of labour'.⁵⁴

Together with influencing the activities of recruiters, the Tanganyikan colonial state attempted to control wages. In February 1947, the scheme planners were asked to outline their strategy in the event that labour supply proved inadequate at current wage rates. Diplomacy on their part prevailed with a solemn promise to avoid increasing wage rates as a means to attract workers: for both skilled and unskilled workers 'terms offered should be comparable to Government scales'.⁵⁵ In the same month it was stated that 'care is being taken to avoid crimping of [skilled] labour'.⁵⁶ This did not succeed and was modified as soon as two months later. The UAC admitted that it was experiencing 'considerable difficulty' in obtaining competent African clerical staff.⁵⁷ Hence

the policy of refusing to consider applications from men in employment, which was initially adopted with the object of avoiding any allegation of 'crimping' is therefore being modified, except in respect of men in Government service, and we intend to compete in the open market.⁵⁸

⁵² As the Senior Provincial Commissioner put it, early in 1947, 'I have been informed – quite unofficially – that the Railway organisation and others on schemes connected with the groundnut scheme will be employing 13,000 labourers by the end of this year. I am further informed that the sisal estates will now be required to feed their labour amounting to 17,000. To feed this force some 7,500 tons of grain for one year's supply will be required. This will reduce our Provincial estimated surplus available for export to a minus quantity'. See Senior Agricultural Officer (Southern Province) to the Director of Agricultural Production, 21 June 1947, TNA 16/13/76.

⁵³ OFC (Southern Province), 'Progress Report No. 3, July 1948', PRO CO 852/952/2.

⁵⁴ OFC (Southern Province), 'Progress Report No. 5, September 1948', PRO CO 852/952/2.

⁵⁵ United Africa Company (UAC thereafter), 'Mechanised production of groundnuts in East and Central Africa. Progress Report No. 2 February – March 1947', PRO CO 852/914/1.

⁵⁶ *Ibid.*

⁵⁷ The shortage of skilled labour was due to Tanganyika's poor educational record. However, similar difficulties were experienced by the scheme contractors in obtaining sufficient unskilled labour. See Labour Officer, Southern Province AR 1947, Part I, TNA 16/13/25.

⁵⁸ UAC, 'The mechanised production of groundnuts in East and Central Africa. Progress Report No. 3, April 1947', PRO CO 852/914/1. The UAC was less clear about what form of competition it would adopt. As the quote below shows, on the one hand they pledged to refrain from a wage war, but on the other hand they proclaimed the urgent need for an improved supply of skilled labour if the scheme was to succeed: 'but we shall not offer wages which will upset current rates. We intend to build up an efficient organisation and we cannot do it with an inefficient staff.' This contradiction between a firm commitment to employing an adequate workforce – in both numbers and motivation – and adhering to prevailing wage rates seems to have been solved by abandoning the latter promise.

Unsurprisingly then, the 1947 report by the Southern Province Labour Officer noted an increase in wages throughout the area, with sisal growers accusing the scheme's railway construction contractors of having started a wage war. Until the end of December 1947, sisal growers had been paying workers 25 shillings per month to carry out heavier duties. From the end of December, however, they found themselves competing with the railways' contractors who were paying 20 shillings plus a ration worth 15 shillings per month.⁵⁹ The following year the scramble for labour continued. On 1 January 1948, wages paid on sisal estates reached levels equivalent to the wealthier Central and Tanga Province estates, while the situation concerning skilled labour was defined by the Labour Commissioner as 'very much more difficult'. 'In fact', he added, 'it can be called a wage war'.⁶⁰

The increase in nominal wages was not the only form of competition between employers. Non-monetary forms of competition are also recorded in the archival record, for example, the practice by employers of reducing daily task/output requirements in order to recruit more workers. Another form of non-monetary competition was employers' new-found attention to their labourers' well-being in terms of housing conditions, diet and recreational amenities. The superior resources of the scheme's contractors allowed them to pioneer these new strategies to attract labour. Towards the end of 1947 'mangrove poles and *makuti* (palm fronds) were in very short supply as very large quantities were required for the temporary camps being constructed for the various new developments in the Province'.⁶¹

The colonial administration's belief that labour market expansion would disrupt life in the countryside, and that the shift of large numbers into wage employment – even temporarily – would jeopardize food security, persisted during the brief life of the scheme and generated tensions over control of the labour market. As we have seen, on the one side stood the scheme managers, in need of a dramatic increase in labour supply; on the other side stood the colonial administration, with its characteristic fear that 'the absence of productive workers would upset the delicate balance of agrarian life' (Freund 1988, 14).

Following the Tanganyika government's early decision not to help the scheme to recruit workers, complaints about the lack of support voiced by scheme managers suggest that their relationship with officials continued to be uneasy. In 1951 Balfour Beatty, the OFC sub-contractor for railway construction, tried to avoid paying a penalty of about £300,000 for failing to meet targets specified in its contract, for which it blamed the government.⁶² From its perspective, the initial scheme plan had overlooked the scale of labour requirements so that all employers experienced serious labour shortages. Balfour Beatty recognized the contradictions and fluctuations of recruiting principally seasonal labour from

⁵⁹ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁶⁰ Labour Officer, Southern Province AR, 1948, Part I, TNA 16/13/25.

⁶¹ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁶² Lockhart (OFC) to Cowen (CO), 20 June 1951, PRO CO 822/297; McTaggart (Balfour Beatty) to Lockhart (OFC), 5 October 1951, PRO CO 822/297.

local peasant farmers, with their aims of growing sufficient food for their household consumption and with achieving a target cash income sufficient to maintain their standard of living, pay taxes and buy a few limited means of consumption as commodities – and a cash income that might be earned from surplus production in a good year as well as from off-season activities. Secondly, Balfour Beatty acknowledged that railway construction was unpopular because it was hard manual work,⁶³ and argued that the lack of increased fiscal pressure by the state on the countryside was a disincentive to employment. Once it had been abandoned to the challenges of the labour market by the colonial administration, Balfour Beatty claimed to be worse off than other employers because of the more strenuous tasks it expected from labourers. While other factors may also have influenced Balfour Beatty's stance, its appraisal of labour conditions is supported by other archival sources. For example in 1949, desertion of railway labour was observed in Lindi because alternative lighter work at the same pay was available.⁶⁴ One then wonders whether the rosy picture of employment by a railway contractor, written by one of its African employees in Nachingwea, was in fact inspired by his employer:

Those in need of employment are informed that here at Mile 2, Namatula there are vacancies. Our job – it is famous – is to cut firewoods for the steam train. Come to see it yourself, we call it childish job for the way it is easy. At 9 in the morning you are already back home waiting for the store to open to get some flour. On top of that our salary is very sufficiently good. When you finish your *kipande*⁶⁵ you do not fail to get your hands on 24 shillings [. . .] come over brothers and sisters, do not suffer with life, let us dress ourselves up, let us eat and drink, all you want is available here.⁶⁶

It is interesting to note that the Overseas Food Corporation had also been complaining along similar lines. In June 1951 the OFC General Manager for the Southern Province labelled, and not unusually so, his monthly report as 'rather depressing' in respect of the shortage of unskilled labour. Here, too, reference to the lack of support from the administration was explicit: 'the office of the Commissioner of Labour has apparently not so far been impressed by the importance of our case',⁶⁷ and the main problem was 'the lack of economic pressure to induce them (Africans) to work (for wages)'.⁶⁸ Similarly, in the following year a 'Pamphlet produced by the OFC for the visit of the Labour Adviser to the Secretary of State for the Colonies' noted that:

In the Administrative Districts of Ruponda, Masasi, Newala and Tunduru, which adjoin Nachingwea, the majority of the population are peasant farmers

⁶³ McTaggart (Balfour Beatty) to Lockhart (OFC), 5 October 1951, PRO CO 822/297.

⁶⁴ Lindi District AR, 1949, TNA 16/11/260.

⁶⁵ *Kipande* means 'card' or 'ticket' in Swahili.

⁶⁶ 'Habari za Nachingwea katika Kiswahili' (Nachingwea News in Swahili), No. 64, 16 February 1953, TNA 16/32/35 Vol. 2.

⁶⁷ OFC (Southern Province), 'Report No. 12, Month of June, 1951', PRO CO 822/266.

⁶⁸ *Ibid.*

and small holders. They are not industrialised, and habitually return to their holdings during the planting and harvesting seasons. They have in fact been encouraged by the Administration to do so in order to plant food crops.⁶⁹

The same is suggested from sources in the administration. For example, the Senior Agricultural Officer for the Southern Province observed that

It appears that many of the natives who flocked to the numerous contractors early in 1948 are now flocking back to clear new *shambas*⁷⁰ for planting in the early rains and every contractor and employer of paid labour complains of the shortage of labour. Natives apparently wish to plant their crops of sorghum and after doing a first weeding in January and at the same time inter-planting sesame will again be available to work for the contractors to the Groundnut scheme. A most suitable arrangement – but apparently the contractors do not think so.⁷¹

From the administration's point of view, mismanagement of labourers and the resulting labour wastage, as the examples below show, were the main factors contributing to employers' difficulties. Following this argument employers had only themselves to blame, and should not point to any lack of support from the local administration.

Nachingwea is by far the most popular camp with the Makonde and many of them missing from other camps will be found there. The reason is, the shorter hours, the lack of supervision and the lighter nature of the work. The Makonde much prefer clearing, grass or tree cutting and building, digging and carrying. The example was given that men have the task of cutting ten building poles; these they cut and carry to the roadside. Then they sit and wait for a lorry to arrive from Mkwaya. That lorry contains four other men whose job is to load the lorry while the cutters look on. When the lorry goes off the cutters day is done. The four loaders return to Mkwaya in the lorry and they tell the men of Mkwaya how their brethren are faring in Nachingwea.⁷²

the Railway contractors experienced considerable difficulties in filling their needs [. . .] These contractors, men of wide experience in the working of labour, were unable to get a daily output of more than 50–70 cubic feet (of cut wood) per man per day. For similar work on the Moshi-Arusha construction the daily output was in the region of 110 cubic feet.⁷³

⁶⁹ OFC, 'Pamphlet produced for the visit of the Labour Adviser to the Secretary of State for the Colonies', 22 August 1952, PRO CO 822/281.

⁷⁰ *Shamba* means 'farm' in Swahili.

⁷¹ Senior Officer Agriculture, 'The Southern Province Report for the month ending September 30, 1948', TNA 16/15/1.

⁷² DC (Newala) to PC (Southern Province), 'Labour', 4 October 1948, TNA 16/13/73.

⁷³ Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

The above fragments suggest that some colonial officials apparently regarded the problems faced by employers with a measure of satisfaction. For the former, the standard cyclical migration model, combining independent household farming with off-season wage employment, was 'a most suitable arrangement' enabling the reproduction of both food production and a 'Fabian' order ('order' in more than one sense) in the countryside.

In some cases, the OFC and its subcontractors simply ignored government rules aimed at monitoring and regulating labour recruitment. For example, in 1948 in Masasi 'the District was the happy hunting-ground of all sorts and conditions of recruiters most of whom never bother to report at the District Office'.⁷⁴ Notwithstanding such irregular practices, as well as responding to actual or anticipated shortages of labour by increasing wages, and improving conditions of employment, employers confronted such shortages of labour more often than not: in 1947; in 1948 when the provincial Labour Officer observed that 'as time went on and the groundnut project grew, so the supply (of labour) became less and less';⁷⁵ in 1949 and again in 1951.⁷⁶ 1950 and 1952 were the only years in which employers considered the supply of labour was adequate. In the next section I consider factors that shaped labour supply.

THE DYNAMICS OF LABOUR SUPPLY

In every year of its brief existence, groundnut scheme managers complained of difficulties in recruiting sufficient numbers of workers, with the exception of 1950 (which I consider below) and 1952 when, as noted above, the scheme – and its labour demands – started to be scaled down. There were various factors that contemporary observers, notably those from the local colonial administration, suggested helped to explain both shortages and fluctuations in labour supply. One factor was that the supply of trade goods did not match the increased demand by wage workers, as suggested by such observations as: 'lack of trade goods is preventing circulation of money, and shortage of cash is apparent among traders';⁷⁷ 'a bigger inducement [to labour supply] would be to fill the Province with consumer and piece goods';⁷⁸ 'consumer goods are not arriving in satisfactory quantities and varieties';⁷⁹ and 'luxury goods are non-existent though there undoubtedly would be a ready market for many'.⁸⁰ In 1947 the District Officer in Mikindani stated that 'if, as in 1947 the African has money in hand and piece and consumer goods remain equally in short supply, then whether the labour

⁷⁴ Masasi District AR, 1948, TNA 16/11/260.

⁷⁵ Labour Officer, Southern Province AR, 1948, Part I, TNA 16/13/25.

⁷⁶ See Labour Officer, Southern Province AR, 1949, Part I, and Labour Officer, Southern Province AR, 1951, both in TNA 16/13/25.

⁷⁷ Senior Agricultural Officer (Southern Province), 'Monthly Report, April and May 1947', TNA 16/15/1.

⁷⁸ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁷⁹ Newala District AR, 1948, TNA 16/11/260.

⁸⁰ Masasi District AR, 1950, TNA 16/11/260.

will be forthcoming in the numbers needed will be problematical'.⁸¹ Similarly, the district officer in Newala in 1950 wrote that as money was 'plentiful' and wage goods to 'skim off the surplus [. . .] scarce', the generally-observed outcome was 'a tendency to idleness'.⁸² As the provincial Labour Officer put it 'with no consumer and piece goods on the market and a full larder at home what inducement was there for the labour to turn out to work?'⁸³

Another possible disincentive to labour supply was that some workers accumulated savings from their wages to invest in expanding farm production or in trade rather than continue in wage employment. For these men the high prices of food and other wage goods may have been an incentive to turn to trade, including selling produce from their household farms, rather than return to wage work. One example from 1948 is the report of seasonal labourers establishing 'new *shambas* for planting in the early rains',⁸⁴ suggesting an expansion of acreage under cropping. In another example in the same year, the Labour Officer recorded zero unemployment in the Province, and added that it was

not uncommon to see large numbers of labourers in the Districts who are not employed, and who do not wish to be employed for the simple reason that they can make quite a good living by selling their own produce i.e. chicken, eggs, fruit, etc. the prices of which have risen considerably with the influx of the very well paid groundnut European employers who are willing and able to pay ridiculous high prices.⁸⁵

Of course, a key point underlying both these factors is that those employed by the scheme commonly worked for a 'target' sum of cash, to be satisfied by wages earned (and to which expanding farming and/or trading might prove an alternative source of money income). As outlined above, this in turn is a feature of a socioeconomic formation that combines household farming with seasonal off-farm employment, often in the form of cyclical labour migration in colonial Africa. Moreover, some historians argue that commitment to reproducing household farming acted as a barrier (form of resistance) to full proletarianization (for example, Cooper 2002), not least when the earnings from off-farm activity, including wage employment, became increasingly important to such reproduction. For reasons sketched earlier, one can suggest that the rural population of Tanganyika's Southern Province in the 1940s were as yet incorporated in a relatively early and incomplete stage of the development of commodity relations.

That labour supply was seasonal, and workers 'flocked back' to their farms after the first rains, is suggested by a majority of archival sources. In 1947 the Labour Officer expected an imminent decrease in the supply of labour at the 'onset of the long rains', and foresaw any change in the other direction only after

⁸¹ Mikindani District AR, 1947, TNA 16/11/260.

⁸² Newala District AR, 1950, TNA 16/11/260.

⁸³ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁸⁴ Senior Officer Agriculture, 'The Southern Province Report for the month ending September 30 1948', TNA 16/15/1.

⁸⁵ Labour Officer, Southern Province AR, 1948, Part I, TNA 16/13/25.

'the present stock of food is exhausted'.⁸⁶ Similar observations were made about Mikindani District in the last quarter of 1948.⁸⁷ In the same year the Masasi District Officer believed that 'at one time during the dry season [. . .] some 5,000 able-bodied men, or 20 percent of the tax paying population, were out of the district working', of whom 'many . . . have now returned to look after their *shambas*'.⁸⁸

When wage employment is combined with, rather than perceived or desired as an alternative to, independent household farming subject to powerful seasonal demands, an employers' strategy to attract more labourers by raising wages is likely quickly to confront potent limits. In 1950, the Provincial Commissioner neatly expressed the logic of the backward sloping supply curve of labour by pointing out that higher wages are more likely to aggravate than resolve the problem of inadequate labour supply, noting that two or three months' wages at current rates were enough to satisfy 'immediate cash requirements'.⁸⁹ A further example comes from Newala district, the source of 80 per cent of workers employed in constructing the scheme's infrastructure. This labour force had a very high turnover of some 50 per cent per month, that was liable to accelerate when wages increased, requiring a shorter period of employment to earn the target income.⁹⁰ Similarly, a pamphlet by the OFC in 1952 emphasized that

The turnover of unskilled labour is very high, and over the past twelve months has averaged 37 percent monthly. In other words, the average labourer remains with the Corporation for something under three months. A very great many of them are employed year after year. The seasons in which unskilled labour is in short supply are October to the end of December for the preparations of *shambas* and planting, and May to July for the harvesting. From January to March the Labour is plentiful for the reason that:

- a) Preparation of *shambas* has been completed
- b) Last year's food supplies are running short
- c) They have to earn cash to pay their taxes.⁹¹

It is as well to add the qualification to this account that some, if only a minority, of men in the Province might have begun to see themselves primarily as workers, shifting between employers as it benefited them to do so:

There is no doubt that the labour in the Lindi District now peregrinate where the work is easiest moving from UAC to John Mowlem, the Railway contractors, and the sisal estates and although not proved, it is

⁸⁶ Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁸⁷ Mikindani District AR, 1948, TNA 16/11/260.

⁸⁸ Masasi District AR, 1948, TNA 16/11/260.

⁸⁹ Tanganyika Territory, *Annual Reports of the Provincial Commissioners for the year 1950*, PRO CO 736/31.

⁹⁰ Labour Officer, Southern Province AR, 1950, TNA 16/13/25.

⁹¹ OFC, 'Pamphlet produced for the visit of the Labour Adviser to the Secretary of State for the Colonies', 22 August 1952, PRO CO 822/281.

practically a certainty that many of these labourers have current labour cards with two or more of these employers.⁹²

Labour Supply and Food Shortages: 1950 and its Significance

The fact that patterns of labour supply conformed to the standard cyclical model tells us little about the extent to which the 'fragile agrarian base' (in Freund's words) of the labour supplying areas in Southern Province absorbed the dramatic expansion of the labour market without any visible decrease in food security. There was much debate about the possible negative effects on food production, both before the scheme began, as we have seen, and continuing during its short lifespan. In the light of this ongoing preoccupation, it is worth looking in more detail at the relationship between the agrarian household economy and labour supply in 1950, the only year of the five years 1947–1951 that groundnut scheme management reported no shortages in labour recruitment.

In 1950 in Western Masasi and Tunduru, like everywhere in the Southern Province areas of rain-fed farming, many households experienced inadequate harvests. Rainfall data from the closest rainfall station (Tunduru) to these areas show that rainfall for the cultivation season of 1949–1950 was below average.⁹³ The provincial Labour Officer was convinced that this poor harvest provoked 'famine' in Western Masasi and Tunduru. This in turn gave a strong impetus to the labour supply so that most employers reported a satisfactory supply of labour.⁹⁴ At the same time, the Labour Officer appeared to subscribe to a vicious cycle position as he believed that shortages of male labour on household farms and the effects of substantial cash earnings contributed to the poor harvest of 1950. His estimates suggested that 'as much as 40 percent of the population' in Masasi District was outside the district 'at any one time during 1950'. He went on to suggest that, on their return to the district, the majority of seasonal workers were not cultivating their plots but preferred to remain idle whilst relying on savings. After a few months of this idle existence they were once more ready for wage employment. His somewhat vague conclusion was that 'this together with other reasons has possibly resulted in the famine'.

By his account, a poor harvest increased labour supply, which is uncontroversial enough. On the other hand, his view that expanding wage employment opportunities were undermining the agrarian base of labour supplying areas is more interesting. It is possible, however, to question the validity of this proposition: by a review of other archival sources that suggest different causes of the poor harvest and food shortages of 1950, and by contrasting events in 1950 with those of 1951. I first consider Western Masasi, a district with strong economic development indicators. In 1947, when rainfall was adequate, the District Officer talked about 'a record year in respect to Native House and Poll Tax. Missionaries

⁹² Labour Officer, Southern Province AR, 1947, Part I, TNA 16/13/25.

⁹³ On rainfall data from Tunduru rain station see Bryceson (1990, 27–9).

⁹⁴ Labour Officer, Southern Province AR, 1950, TNA 16/13/25.

and Indian traders with long experience of the district, as well as Africans themselves, are all in agreement that never before has so much food been produced'.⁹⁵ In 1948, again a good year for rainfall, we hear about a 'very good harvest' and an 'over 100 percent tax collection [. . .] despite the absence from the district of many of the young men who went off to look for work'.⁹⁶ Is it possible that just two years later matters had degenerated to the extent that colonial officials spoke of 'famine' in the district? If not, what other archival evidence is there to make sense of what happened?

In 1950 the District Officer noted that the Native Treasury 'continued to add to its bank balance',⁹⁷ and revenue collected exceeded the estimate yet again. This fiscal success was achieved in the same year as 'extremely poor crops', whose suggested causes were, alongside lack of cultivation, erratic rains and rats. Thus, while there is evidence that there was both money and a posited reduction of cultivation, one cannot find evidence of 'famine', by which it is meant a severe shortage of food resulting in widespread hunger, starvation and death.

It is tempting to take the Labour Officer's unfounded reference to famine as evidence of the moral panic with which colonial officials monitored the impact of the scheme on the Fabian order they deemed themselves custodians of. There are also other glimpses about the panic informing their observations on the impact of 'modernity' (i.e. the groundnut scheme and the growth of the labour market in rural areas). For example the Provincial Commissioner referred, as early as in 1947, to 'a certain amount of disquiet' around Nachingwea due to 'the impact of the influx of Europeans of the groundnut scheme into a purely tribal area'.⁹⁸ A year later, the Masasi District Commissioner similarly noticed that the scheme was undermining what he perceived to be the traditional way of life in the district. This, according to his paternalistic account, was evident in the 'lessening of the general morality of the inhabitants and the signs of the disintegration of family life'.⁹⁹

In Tunduru district, a similarly strong link between labour supply and 'famine' suggested by one colonial officer was dismissed by another who investigated the matter more deeply. According to the Labour Officer, in 1950 Tunduru seemed 'to have suffered the most through wage seekers leaving their homes'.¹⁰⁰ The argument went that most absentees had found their way to the groundnut scheme and, after completing a few months' work, moved on to some other employment. 'In most cases they leave the District unaccompanied by their wives who are left to cultivate the land, a task which they are not always able to carry out, consequently the crops are poor and the dependants become a liability.' But the reality seems to have been rather different. Firstly, while unduly heavy late rains resulted in the destruction of crops, a record tax collection

⁹⁵ Masasi District AR, 1947, TNA 16/11/260.

⁹⁶ Masasi District AR, 1948, TNA 16/11/260.

⁹⁷ Masasi District AR, 1950, TNA 16/11/260.

⁹⁸ Southern Province AR, 1947, TNA 16/11/260.

⁹⁹ Masasi District AR, 1948, TNA 16/11/260.

¹⁰⁰ Labour Officer, Southern Province AR, 1950, TNA 16/13/25.

was made in 1950,¹⁰¹ suggesting that, despite the failure of the harvest, there was money in the district. Secondly, the district report pointed out the existence of several theories about 'the steady exodus from the district', one of which was the spread of hookworm which 'with its attendant lowering of the birth rate has decided many families to leave the district in the hope that their fertility will return'.¹⁰² Finally, when the District Commissioner went to visit sixteen villages affected by 'famine' (in December 1950), what emerged was a very different picture from the rural areas allegedly depopulated by male farmers. He concluded that the main cause of distress in the area was the planting of too much tobacco at the expense of food crops.¹⁰³ Shortages of household food production, together with a bountiful tobacco harvest and supply, weakened farmers' bargaining power. As a result, merchants were offering very low prices, while households held on to their tobacco crop in the hope of a better price for it.¹⁰⁴ Yet again, the moral panic of colonial officers observing the impact of an undesired development project on their 'subjects' goes a long way in explaining such unfounded references to famine. As the District Officer candidly admitted twenty days later, there was 'no deaths even among the aged or the children. The people do not show severe signs of starvation and chickens are still plentiful in the villages, always a sure sign that they are not in extremis'.¹⁰⁵ And those in villages with no food, he went on to add, bought it from other villages in the district or in Songea and Liwale District.

Had the expansion of the labour market started to manifest its negative consequences in the countryside in 1950, one would expect that in 1951, with increased numbers of people in employment, the farming situation in rural labour supplying areas would worsen. If the vicious cycle theory held – excessive male wage employment leading to reduction in cultivation and inadequate harvests of food crops, in turn leading to expanded labour market supply – then the augmented labour supply of 1950 should have generated further food shortages the following year. Archival sources, however, suggest a rather different story for 1951, with the OFC once more reporting its usual problem of inadequate labour supply. By June 1951, the OFC General Manager for the Southern Province expressed concern about the shortage of unskilled labour¹⁰⁶ that continued

¹⁰¹ Tunduru District AR, 1950, TNA 16/11/260.

¹⁰² *Ibid.*

¹⁰³ The 1950 Tunduru Annual Report is the first archival source for the colonial period to mention the cultivation of tobacco, a high value cash crop, in Tunduru. The fact that files from previous years contain no information on the timing of the introduction of the crop and the extent to which it was farmed in the district reveals the limitations of sole reliance on archival sources. Edwards (2003, 66) reports that tobacco was introduced to neighbouring Songea District in the late 1920s.

¹⁰⁴ District Commissioner (Tunduru) to Provincial Commissioner (Southern Province), 'Report on severe hunger in the Msamala area', 18 December 1950, TNA 16/15/44 Vol. 2.

¹⁰⁵ District Commissioner (Tunduru) to Provincial Commissioner (Southern Province), 'Report on food shortage in Msamala area', 9 January 1951, TNA 16/15/44 Vol. 3.

¹⁰⁶ OFC (Southern Province), 'Report No. 12, Month of June, 1951', PRO CO 822/266. This report also contains a reference to the administration's boycott of the scheme. In this case the reference to the lack of support by the colonial administration was explicit. The Local and Provincial Administration was perceived as sympathetic to OFC needs, while the office of the Labour Commissioner was 'apparently not so [. . .] impressed by the importance of our case'.

throughout the dry season.¹⁰⁷ The OFC's understanding of the problem, apart from articulating the usual colonial frustration with the incapacities of 'the natives',¹⁰⁸ hints at a link between small farmers' harvests and labour supply: 'This heavy loss can only be attributed to the gross laziness of the population, *their relatively good harvest* (emphasis added) and the consequent lack of economic pressure to induce them to work.'¹⁰⁹ Interestingly, the colonial understanding of peasants' behaviour in the labour market, as the statements by the colonial officers in the Southern Province reveal, saw laziness as the main cause for the backward sloping labour supply curve. However, contradictory explanations coexisted in the colonial understanding of peasants' behaviour: 'laziness' (lack of desire to work longer and/or harder) could be supported from cash income from wage employment and/or from abundant food reserves (with both implying an 'unearned' reward for effort expended?).

The Corporation responded to the reappearance of inadequate labour supply after the unusual grace year of 1950 by adopting the most diverse devices: from inviting chiefs to visit the scheme's farms to win their support in securing labour, to deploying labour recruiters in all districts in the Province. But their strategies did not pay off. Trying and failing time and again deepened despondency amongst its managers who concluded that 'there appears to be little more that the Corporation can do'.¹¹⁰ The admission of the failure to influence labour market dynamics linked with a moral condemnation of African lack of commitment (and patriotism): 'it is a sad commentary on the African's interest in his country and its well being that the numbers of workers required to make the scheme a success are not forthcoming'. In short, and characteristically of colonial development doctrine, what was good for the groundnut scheme was good for Tanganyika. But what the OFC could not see was that a vital condition of much of the labour they recruited was that it was rooted in household farming. As long as that condition held, labour supply would be affected by weather patterns and fluctuations, and their effects for harvests, as well as by more locally specific factors in the countryside as illustrated above.

The logic of this situation – and the irony for the OFC – was that seasonal wage employment could act as a safety net under the vagaries of household rainfed food cultivation (as well as a way of satisfying 'target' cash incomes). When the District Officer of Ruponda reported that there was no need for a programme of relief works in his district, this was because 'both these areas have ample opportunities of paid and fed employment on their doorsteps'.¹¹¹ Along the same lines, the District Officer of Mikindani stated in 1949 that 'although it

¹⁰⁷ Materials in PRO CO 822/266 and PRO CO 822/281.

¹⁰⁸ And especially in the African context, as noted earlier, the natives' resistance to bourgeois economic rationality which they manifested in the backward sloping supply curve of labour.

¹⁰⁹ OFC (Southern Province), 'Report No. 12, Month of June, 1951', PRO CO 822/266.

¹¹⁰ Anderson (OFC), Memorandum on 'Labour requirements of the OFC in the Southern Province', attached in Gillet (OFC) to Cohen (CO), 9 August 1951, PRO CO 822/280.

¹¹¹ DO Ruponda to PC (Southern Province), 'Government Circular No. 12/49', 21 September 1949, TNA 16/15/6/VII.

was a poor season agriculturally, owing to the unlimited demands for labour of all sorts, there was plenty of money available'.¹¹²

Colonial officers in the Province benefited from the ways in which the groundnut scheme, rather than impoverishing the rural areas of the Province, helped them to carry out some of their duties. One example, just noted, was how scheme employment provided insurance in a bad harvest year. Another example related to the collection of 'native taxes', the rate of which was increased at times in an attempt to take advantage of the wage inflation resorted to by employers. For example, in Newala District, following a record 119 per cent native tax collection rate, which reflected the 'continued prosperity of the province', the decision was taken to raise the rate of native tax from 11 to 13 shillings per year.¹¹³ And District Commissioners were happy to help each other collect taxes. For example, in his report for 1948 the Masasi District Commissioner thanked his Lindi colleague for his flexible understanding of district boundaries (and boundary crossing): 'Despite the large number of people outside the district, over 100 percent of the estimated tax was collected, thanks also to the DC Lindi who allowed a Masasi tax-clerk to collect taxes on alien tickets from railways and groundnut scheme camps in Lindi District.'¹¹⁴

CONCLUSION

This paper throws new light on the impact of the groundnut scheme on the local economy of the Southern Province of Tanganyika. It has argued that the ambitions and implementation of the East African Groundnut Scheme clashed with the development priorities of the local colonial state. Practical factors (like the League of Nations mandate for Tanganyika) and ideological reasons (the development doctrine of a 'Fabian colonialism') explain why the scheme did not fit with the colonial administration's concerns and never won its support. The experience of the groundnut scheme in the Southern Province generated issues of labour supply which employers, with no local state support, attempted to resolve in various ways but never succeeded in doing to a satisfactory degree (except in 1950).

There were various reasons for the inadequacy of labour supply that could combine in complex ways. One was a shortage of wage goods that acted as a disincentive. Another was that rampant rates of inflation, combined with shortage of wage goods, acted as a further disincentive to wage employment for some aspiring accumulators, who took up trade instead. For the great majority of unskilled workers, seasonal participation in the labour market conformed to the standard cyclical migration model. Given the lack of incentives to transform short-term into permanent employment, unskilled workers continued supplying

¹¹² Mikindani District AR, 1949, TNA 188/GEN/1/15.

¹¹³ Newala District AR, 1950, TNA 16/11/260.

¹¹⁴ Masasi District AR, 1948, TNA 16/11/260. By 'collecting taxes on alien tickets' the District Commissioner meant the collection of taxes from Masasi District inhabitants temporarily working in Lindi District.

labour to the scheme as a supplement, not an alternative, to the basis of their livelihoods in household farming. Archival sources can be interpreted to suggest that very high turnover of labour meant that large numbers of men engaged in wage employment for short periods and without any evidence of negative effects for household farming. The oscillating fortunes of small farmers in the province depended above all on the fluctuations of rainfall, which were then, in effect, the main determinant of labour supply: a bad harvest year was followed by expanded labour supply, and an average or good year by labour supply inadequate to employers' needs. Attempts by employers to prolong workers' stay in employment by increasing wages compounded rather than resolved the problem, as workers simply earned their 'target' income more quickly.

Notwithstanding its spectacular failure in production, hence as an investment/development project, the scheme financed the rapid and dramatic growth of a labour market with highly inflated wage levels, and thereby stimulated the local economy of the area. To the inhabitants of the Southern Province, this meant to witness, and participate in, a bizarre process which started with an airplane flying over their land to 'evaluate' the feasibility of a fundamentally misconceived plan, and then brought them a dramatic expansion of money incomes. The expansion of the labour market soon proved to be based entirely on conjecture, unrelated to any actual development of production but expressing the faith (or fantasy) that the scheme would generate a great leap forward of the productive forces in the area's agriculture. The money it brought into circulation through wages and other expenditure – vast sums of money relative to conditions before the scheme – augmented the spending power and welfare of many local people, at least for a few years. For some, however, the scheme marked the beginning of a process of capital accumulation that lasted well beyond 'those days of great prosperity'. A companion paper will explore the life histories and business careers of some of those local 'groundnut scheme entrepreneurs' whom I interviewed at length, and their significance to the study of development as commoditization and class formation. That, however, is another story.

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