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Economic Diversification
Industrialization and the British Colonial State: West Africa, 1939-1951 by L. J. Butler
Review by: James A. Jones
Published by: Cambridge University Press
Stable URL: http://www.jstor.org/stable/183346
Accessed: 05/11/2013 19:00
**ECONOMIC DIVERSIFICATION**


This book, written by a specialist in British foreign and colonial policy, attempts to refute the claim by dependency theorists that Great Britain deliberately saddled its colonies with unbalanced economies that failed after independence. Instead, the author asserts that while this was true at first, by the end of the Depression, colonial governors in West Africa and officials of the Colonial Office supported economic diversification, and even colonial industrialization, as a way to increase the political stability of the empire by eliminating economic crises that caused social unrest.

According to Professor Butler, the Colonial Office engaged in a debate with opponents of diversification that included the Lancashire textile interests and the British Board of Trade. Later, when Britain’s post-war debt weakened the pound, the Treasury joined the opposition by arguing against all projects that diverted resources from trade with the USA. At first, diversification’s opponents rejected the Colonial Office’s proposals because they hesitated to disrupt what they believed was a mutually beneficial exchange of colonial and metropolitan products. When the Second World War interrupted metropolitan production, the opponents of diversification began to recognize the value of colonial production, and after the war, they accepted the need for increased investment in the colonies. Yet they continued to oppose diversification in favour of increased investment in export agriculture and mining, the strongest sectors of the pre-war African economy.

Consensus on the need for increased colonial investment led to a new debate on the extent to which the British state should become involved in financing new projects. Using several textile manufacturing projects as examples, Butler argues that the colonial administration lacked sufficient technical expertise to plan and oversee the new programs, while expatriate firms, which possessed the necessary expertise and infrastructure, were politically unacceptable because of their reputation for exploiting Africans. As a compromise, the Colonial Office supported the formation of the Colonial Development Corporation to employ private capital while maintaining public control.

Despite clear writing and thorough documentation, Butler’s argument is less than convincing. This ‘case study of the general position of officials’ succeeds as an introduction to the relevant government documents, but Butler’s dependence on ministerial papers reveals little about what took place in Africa, or even in Great Britain outside Whitehall. For instance, post-war economic conditions in Britain contributed to the rise and fall of the Labour government, with its exceptional ideas about state intervention in the economy, yet Butler gives no indication that this influenced the debate. By the same token, Africans seem to have played no part in the debate, although their existence is implied by references to disturbances in the Gold Coast and the problem of demobilized veterans. Less critical, but still frustrating, is the author’s complete omission of Sierra Leone and the Gambia, which renders the title of his book somewhat misleading.

Butler claims that the creation of the Colonial Development Corporation represented a compromise that encompassed the views of the Colonial Office. Yet Butler describes conflict between the Colonial Office and the CDC’s director, Lord Trefgarne, that suggests the Colonial Office exercised little influence over the CDC’s operations. The creation of the CDC, which supplied most of its investment capital for agriculture and mining during the period under study, was in fact a victory for the opponents of diversification.

Ultimately, the problem with Butler’s thesis is not in its construction, but in its
narrow focus. By limiting his study to government documents, he overstates the influence of the Colonial Office on government policy. These debates took place at a time when the traditional hierarchy of the empire – metropole, dominions and colonies – was reinforced by the disaster of the Second World War. The needs of the colonies had the lowest priority, so no matter what kind of plans the Colonial Office advanced, its ability to influence policy was limited. In the end, despite Butler’s claims to the contrary, this book shows that British interest in colonial economic diversification was limited, tardy, and based solely on metropolitan needs.

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BUSINESS HISTORY


The history of business has come to be accepted as vital to an understanding of African economic history, particularly of the colonial and post-colonial periods, but also of the pre-colonial era. Businesses, whether European or African, played critical roles in the development of African economies; their role in understanding the economic situation in Africa today can hardly be ignored. The Royal Niger Company, which was formed in 1886, lost its Royal prefix in 1900, and was sold to Lever Bros. in 1920, before eventually disappearing into the United Africa Company, is one such firm whose importance in Nigerian history cannot be doubted. Despite Flint’s classic study of George Goldie, the Company’s founder, and Newbury’s excellent study of it between 1900–20, there has long been a need for a full history of the firm.

Geoffrey Baker worked for the United Africa Company in Nigeria from 1948 until 1992. His book covers the period from the early British presence on the Niger after 1830, through the establishment of the Royal Niger Company’s predecessors in the 1870–80s, to the conquest of Northern Nigeria in the 1890s. It surveys the rivalries of the firm with its French and German counterparts, its operations in the early twentieth century in developing tin mining around Jos, its role in the Benue trade, its function in providing transport facilities along the Niger and its tributaries, and its place in the amalgamations between firms in Nigeria in the first half of this century. The story ends with the United Africa Company’s sale of its Niger fleet in 1971.

The wider reading public will find this book of interest, for the story is a compelling one readable told, but academic historians and particularly readers of this journal, are likely to be disappointed. Although based on extensive research, both in Britain and in Nigeria, there is a lack of scholarly footnotes. More critically, the book is unclear as to whether it is a history of the Niger Company or a broader history of Britain in Nigeria. Parts of the book are taken up with wider issues such as the consular presence in the Niger Delta, the British conquest, and Lugard’s establishment of colonial administration and imperial borders; these are important developments for the Niger Company but their significance is long established and Baker has nothing new to say about them. Occasionally the book moves into discussion of wider historical events in Britain, Europe and the world, which offer academic historians interested in the Niger Company very little which is new. A narrower focus on the Company itself and its business operations would have been more welcome.