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Chapter One of Dissertation: “Accounting for Decolonization: The Origins of the Sudanese Economy, 1946-1964.”

Abstract

This dissertation explores how the application of new economic techniques associated with a “national economy” altered how government officials understood the function of the late colonial and the early independent Sudanese state during the two decades following the Second World War. Drawing upon previously unexplored collections, such as the personal records of British finance officials, Sudanese Ministry of Finance files located in Khartoum, and documents from the World Bank and the International Monetary Fund, the study sheds new light on the history of the Sudanese state.

New techniques of planning, budgeting and accounting fundamentally challenged the way finance and other officials thought about the relationship between the state and the economy, and consequentially the nature and the role of the state itself. Another consequence of the adoption of new economic tools and techniques was that finance officials began to think of themselves differently. Finance officials saw their role grow from the mere administration and auditing of distinct sites of imperial investment to the management and health of a unified economy.

The self-image of finance officials and the ways in which they thought of their own expertise continued to change over time, as their understanding of the economy evolved. For example, during the 1960s, the image of a unified and independent economy began to fade as an ideal sought by some Sudanese finance officials. The persistence of ongoing economic crises demonstrated the limits of finance officials’ ability to control the economic destiny of their country.

The dissertation treats the last decade of colonialism and the first decade of independence as a unified period, challenging the colonial/postcolonial boundary. It merges the scholarship on the political economy of Sudan, with work on economic history and the history of science, pushing disciplinary boundaries. The dissertation highlights the linkages that exist events that occurred at different scales, such as the crises in the sterling area, the politics of coalition building at the national level and finally to changes in the management of specific agricultural schemes. Using new archival sources, I demonstrate the contingent and ambivalent nature of the decisions that led finance officials to champion an independent Sudanese economy. The dissertation also shows how untenable economic independence proved to be in the face of an unpredictable world market for commodities such as cotton, the staple of the Sudanese economy. Despite the difficulties in achieving economic autonomy, I demonstrate how the allure of economic independence was wrapped up in the struggle for political independence, and vice versa.

In order to capture the significance of various economic techniques, each chapter of the dissertation is organized around one of these techniques and the changes in the political economy of Sudan that occurred simultaneously with it.

The dissertation consists of five chapters including the introduction. The first chapter makes use of in depth explorations of the reports and audits of three agricultural schemes in different parts of Sudan in order to see how new techniques of budgeting and auditing altered the ways in which finance officials saw the economy. The second chapter explores the debates about establishing a Sudanese currency and about carrying out a survey of southern Sudan. The third chapter examines planning's ability to create consensus, and the fragility of budget forecast in the face of a fluctuating price of cotton. The final chapter demonstrates how officials used national income accounting to create alternate sources of legitimacy to the legitimacy derived from parliamentary elections.

Finally, in conclusion, I stress the ways in which economic and political independence were interrelated. Even as new techniques such as national income accounts, development budgets, and plans made it increasingly possible to display a unified and independent economy, it proved impossible to manage this economy as long as the political sphere remained divided and internationalized. Similarly, the difficulties that national policymakers had in independently managing the Sudanese economy in the face of a volatile world markets meant that it was difficult for the country to generate internally the resources necessary to fund an autonomous political sphere.

Chapter One: Development Plans, Budgets and the Territorial Perspective: The Five Year Plan for Postwar Development, 1946-1951

The turmoil caused by the Great Depression, exacerbated by the outbreak of the Second World War, shook the economic foundations of the British Empire. Imperial officials scattered throughout the empire responded to the uncertainty of the late 1920s and 1930s by resorting to state planning. During the 1930s, state planning was increasingly seen by government officials as a necessity to regulate economic and social life.¹ Direct intervention meant that officials now had to make explicit on whose behalf the state acted: decisions about economic priorities to privilege (and for whom) which had previously gone unarticulated, now had to be made explicit.² .

The end of World War II and the breakup of the British Empire only added to the urgency of questions about what officials were planning, because the shape and structure of the state were suddenly in flux. The new fragility of the umbrella of empire freed intellectuals, officials, and politicians to imagine a wide variety of competing political and economic geographies. During the decade and a half that followed World War II, imperial officials and nationalist political leaders in colonial territories developed many different ideas about how to promote political and economic development. Just how the national economy became the primary unit of economic management in the case of the Anglo-Egyptian Sudan, a territory with two sovereigns is one of the major themes of this

¹ Allister Hinds, *Britain's Sterling Colonial Policy and Decolonization, 1939-1958* (Westport, CT: Greenwood Press, 2001) 7-9.

² For a discussion of the disillusionment with the liberal and internationalist mechanisms of economic regulation such as the gold standard and fixed exchange rates, see: Herman Van Der Wee, "The New Economic Ideology," *Prosperity and Upheaval: The World Economy, 1945-1980* (Berkeley, CA: The University of California Press, 1984) 32-42.

study. To answer this question, it is necessary to examine the economic decision-making process during the years immediately following the conclusion of the Second World War.

In the case of the Anglo-Egyptian Sudan, the territory's overlapping and entangled British and Egyptian colonial legacies made the territorial unit simply one of many competing potential economic or political units that could have emerged from the process of decolonization.³ The most compelling narratives, in competition with that of an independent national economy, were economic unification with Egypt, closer economic ties to Britain, or even a loose federated state with high degrees of economic autonomy at the regional or local level. That the national economy eventually became the dominant way in which officials understood the economy, even in a country with as weak a political or economic legacy of unity as Sudan, demonstrates the power of the concept of the national economy in the decades after the Second World War.

Historians studying the process of decolonization have tended to focus on the political and economic grievances that led to the end of empire and the creation of independent states.⁴ However in doing so, scholars have failed to adequately take into account how shifts in the ways in which the role of government was conceptualized as an economic actor and how the economy was visualized altered the official understanding of

³ "If the last fifty years have made it seem as if the territorial nation-state is both 'modern' and inevitable, in 1958 it did not appear to some to be either." Frederick Cooper, "Possibility and Constraint: African Independence in Historical Perspective," *Journal of African History* 49 (2008): 168.

⁴ See for instance: Prosser Gifford and William Roger Louis, (eds.), *The Transfer of Power in Africa: Decolonization, 1940-1960* (New Haven, CT, 1982).

where political and economic authority should be located.⁵ In this chapter, I have chosen to focus on how the thinking of finance officials and their political position was altered by their embrace of national economic planning and the constant budgeting and reprioritizing such a process entailed. The planning process both strengthened the conviction of finance officials in a unified Sudanese economy and bolstered their ability to convincingly advocate for it. The ultimate decision to prioritize an economically unified Sudan over economically autonomous territorially defined regions such as the southern provinces and the western provinces or ethnically defined units such as the Nuba or Azande were in part a result of the financial arguments made by finance officials during the planning process. The blueprint for the Sudanese national economy was created in the Department of Finance during routine and repeated discussions about prioritizing and implementing the various projects including the centralized financial decision making system created as a result of the planning process. The need to

⁵ For a global history of the different ways in which national income accounts made economies visible, see: Paul Studenski, *The Income of Nations: Theory, Measurement, and Analysis: Past and Present: A Study in Applied Economics and Statistics* (New York, NY: New York University Press, 1958). The most common explanation within the literature for how the emergence of the economy and the proliferation of nation-states as a result of decolonization were connected is the diffusion model. The diffusion theory suggests that the economy became represented in one location, perhaps first in India by a young John Maynard Keynes, or in the Soviet Union, or by the developers of National Income Accounts such as Simon Kuznets and later Colin Clark. This theory suggests that these representations then spread across the world inspiring emulation. See the work of Timothy Mitchell, *Rule of Experts: Egypt, Techno-Politics, Modernity* (Berkeley, CA: University of California Press, 2002). For the diffusion of Modernization Theory, see Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore, Md. John Hopkins University Press, 2007); Also Michael Latham, *Modernization as Ideology: American Social Science and "Nation-Building" in the Kennedy Era* (Chapel Hill, NC: University of North Carolina Press, 2000). However, while a theory of intellectual diffusion exists, an in-depth case study testing the relationship between the diffusion of the idea of the economy, the end of empire, and the rise of nation-states has not been carried out, asking to what extent and in which ways these concepts are related to one another?

centralize the funding for individual projects and to develop a means of prioritizing them followed directly from the logic of the national planning process itself. Planning, as practiced in Khartoum from 1946 until 1951, demanded a centralized system of budgeting, even as it encouraged various parts of the government to design development projects in a dispersed and decentralized manner. Reconciling these two processes, centralized budgeting and localized project design, prompted finance officials to create an evaluative framework. As a framework, finance officials developed a territorial perspective in which those projects which benefited the Sudanese economy as a whole, in practice those projects which made the largest contribution to the central budget, were prioritized over projects that focused on local development or imperial strategic interests.

The development of a specific territorial perspective by finance officials unfolded over several years. At the war's end, when officials in Khartoum, London, and Cairo sought to clarify the boundaries of their economic responsibilities and to clarify Sudan's political and economic ties, officials in Khartoum felt an imperative to define the extent to which Sudan could be managed as a single economic unit. Because the legal and political uncertainty created by Britain and Egypt's dual sovereignty over the territory of left it with a legacy of overlapping economic ties to Britain and Egypt.⁶ The main issue that faced the decision-makers in Sudan was whether to favor policies that focused on the economy of the Anglo-Egyptian Sudan as whole, local and regional economies within Sudan, a Nile Valley economy, or the wider imperial economy.

⁶ This legacy intensified the dilemmas faced by planners in other colonies, who were also trying to transform their colonies into unified and autonomous units of political and economic governance. For a discussion of the Indian experience, see: Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago, IL: University of Chicago Press, 2004) 8-9.

Sudan's Department of Finance was the office primarily concerned with planning the economy and hence is the focus of this study. Its primary functions before World War II, however, were confined to determining the budget and supervising and auditing other parts of the bureaucracy rather than formulating long-range national policy objectives. In addition, because Sudan was an Anglo-Egyptian colonial responsibility the Sudanese Financial Secretary was stationed in Cairo where he coordinated fiscal decisions with the British Resident in Cairo, the Egyptian Ministry of Finance, as well as with the Governor-General in Khartoum. For the first decades of the Condominium the stationing of the Finance Secretary outside of the boundaries of Sudan only further suppressed any tendencies within the bureaucracy to think of the Anglo-Egyptian Sudan as a coherent unit whose economic interests should be privileged. The Sudanese bureaucracy's autonomy took a great leap forward when the Sudanese Governor-General's council became a more important policy-making institution during the 1930s, and the Finance Secretary returned to Khartoum. But by then Sudan's financial prerogatives were constrained by the demands of the Great Depression and subsequently the mobilization for the Second World War. Moreover, for much of the history of the British presence in Sudan, imperial officials saw Sudan alternatively as a province of Egypt, a department within the Egyptian government, and an integral part of the imperial trading and war-fighting machine. Rarely did they see it as an independent economic entity.⁷

During the late 1940s and 1950s, however, the Department increasingly began to concern itself with the formulation of "national" economic policy. Senior officials within

⁷ M.W. Daly, "The Development of the Governor-Generalship of the Sudan, 1899-1934," *The Journal of African History* 24.1 (1983): 77-96

the department began to ask what was “good for the national economy” in policy debates. They came to expect that these questions should be accorded as high a priority as the questions that had previously guided policy-formation, such as how to maintain political order while guaranteeing good governance. Because cotton was the principal source of the state’s revenue and therefore occupied the majority of finance officials’ time, understanding the vast shifts in the Sudanese cotton industry is critical to the emergence of the modern Sudanese state.

Cotton and the Sudanese Economy during the 1930s and 1940s

It was during the 1920s and 1930s, that cotton, grown using irrigated water from the Nile, became entrenched as the centerpiece of the government’s economic strategy, even as the expansion of cotton production was slowed by low prices and weak demand, particularly in Britain. Prior to the Second World War, finance officials within the Sudan Political Service were notable for their insistence that the government should possess a small economic footprint because “socialism” was to be avoided at all cost. Even so, government officials discouraged both Sudanese and foreign capital from undertaking manufacturing or other industrial activities. Aside from the ever-expanding cotton schemes that they began to pursue in the 1920s, they were very hostile to any increase in the number of industrial or agricultural schemes. There was a fear among Sudanese officials, even those in the Finance Department, most of whom had begun their careers in

rural administration, that capitalist development would create “new centers of non-government influence and power,” and inevitably new administrative problems.⁸

By the close of the Second World War, revenue from the export of cotton constituted the largest source of income for the state. A high proportion of Sudan’s cotton after World War II came from the Gezira scheme, a collection of centrally managed tenant estates located southeast of Khartoum. The Gezira scheme was conceived before World War I, but only became fully operational following the construction of the Sennar Dam and its main irrigation canals in 1926. The irrigation engineers who originally championed the Gezira Scheme considered its construction and continued expansion as only a phase in a massive program to control the entire Nile basin. Its economic and strategic purpose was closely tied to Britain’s larger imperial objectives in Egypt and East Africa. The Gezira Scheme had the potential of becoming a second Nile Valley and therefore it provided an alternative source of high-quality cotton for Lancashire’s mills. In the process, it gave the British increased leverage over Egypt.⁹ Outside of the Gezira Scheme, the other main sites of cotton production in Sudan were the flood irrigated Tokar Scheme and the gravity irrigated Gash Scheme. In the Nuba Mountains and at Mongalla in the southern-most province of Equatoria, rain irrigated schemes were steadily increasing in size, notably the Zande Scheme. However the peak price of cotton during the 1930s was only fifty percent as high as peak prices during the 1920s. The response of the government to low prices was to attempt to steadily expand

⁸ G. N. Sanderson, “The Ghost of Adam Smith: Ideology, Bureaucracy, and the Frustration of Economic Development in the Sudan, 1934-1940,” in M. W. Daly, *Modernization in the Sudan: Essays in Honor of Richard Hill* (New York, NY: Lilian Barber Press, Inc., 1985) 101-104.

⁹ Terje Tvedt, *The River Nile in the Age of the British: Political Ecology and the Quest for Economic Power* (New York, NY: I. B. Tauris, 2004) 110.

the amount of land under cotton cultivation, as world prices continued to decline, in order to make up for lost revenue.¹⁰ Cotton sales averaged at least fifty percent of Sudan's export revenues, and consequently most research and planning sponsored by the government focused on cotton rather than alternative crops such as wheat, lubia, peas, sisal, hemp, coffee and tea.¹¹

Agricultural schemes were developed and then managed individually, each scheme possessing its own independent board of supervisors. The principal departments such as the Departments of Agriculture, Public Works, Finance, Irrigation and the Board of Trade and Economics typically possessed some representation on the oversight boards of each scheme. But supervision was limited, and confined to the infrequent meetings of the particular interdepartmental committee charged with oversight of an individual scheme. The ad hoc nature of governance and oversight meant that individual agricultural schemes were able to pursue divergent aims and ambitions, some devoted to local development, others simply producing raw commodities for the imperial economy. In the 1930s, the Department of Finance avoided becoming too closely involved in the

¹⁰ For a discussion of comparison of how the volatility of the international cotton market was dealt with in the French Soudan, see: Richard Roberts, *Two Worlds of Cotton: Colonialism and the Regional Economy in the French Soudan, 1800-1946* (Stanford, CA: Stanford University Press, 1996).

¹¹ Government officials kept a watchful eye on the market for *dura* and *dukhn*, out of a fear that instability in this market would inevitably cause the cost of living to rise, something that the government strove to prevent. M.W. Daly, *Imperial Sudan: The Anglo-Egyptian Condominium, 1934-56* (New York, NY: Cambridge University Press, 2002): 96-99.

management of the individual schemes, confining itself to sending accountants and auditors to help with bookkeeping and the creation of operational budgets.¹²

While the 1930s continued to witness the development of new proposals for economic development by British officials, poor economic conditions meant that the majority of these proposals were never carried out. The 1930s were marked by administrative conservatism and a general sense of malaise throughout the bureaucracy. However, the mobilization for war in the late 1930s propelled the Sudanese bureaucracy into action. The ability of individual parts of the empire to negotiate their own trade and economic policies was further diminished by the need to mobilize for war. The formalization of an imperial trading bloc, and the attendant preparations for war, demanded greatly increased coordination between the bodies that set imperial economic policy within the various parts of the empire.¹³

¹² Like much of the Government of Sudan, the Finance Department grew out of the Egyptian Army's Intelligence Branch, which took over administrative duties as early as 1896 in Dongola in northern Sudan. As late as 1914, the Financial Secretary remained in Cairo attached to the Sudan Agency, which was charged with representing Sudan's interest to the Egyptian government and the British representative in Cairo. He was thus beyond the direct control of the Sudanese Governor-General. All budgets initially had to be passed by the Egyptian Council of Ministers. Matters having to do with the Nile Waters were also reserved for Cairo. Daly, "The Development of the Governor-Generalship of the Sudan, 1899-1934" 77-96.

¹³ The decade was one of crisis for the imperial economy, and a loss of confidence. London's capital markets, which had previously been seen by investors as the refuge of last resort in times of turmoil, saw increased capital flight, as nervous investors preferred the relative stability of the economy of the United States. The Great Depression, and then the high cost of war mobilization, strained Britain's finances. The strain was further exacerbated by Britain's need for foodstuffs and manufactured goods from the United States and other dollar-denominated countries, which could not be sufficiently balanced by dollars earned elsewhere in London's trading empire and then recycled back to Britain. To counteract Britain's chronic trade imbalances with countries settling their payments in dollars, Britain moved to limit the convertibility of the British pound with other currencies, effectively moving away from its long held policies of free-trade and

During the Second World War there was a possibility that the British Empire would emerge as a united trading and economic bloc. As long as fighting continued, Sudan's role was to export high quality raw cotton and foodstuffs to a ready and eager imperial market. The parts of the bureaucracy that handled the increased coordination between the government in Khartoum and British decision-makers in London and Cairo were the Office of the War Supply Board and the Board of Economics and Trade. These bodies attempted to supervise economic activity within Sudan in order to ensure that the country contributed fiscally to the upkeep of military forces stationed throughout East and North Africa, raised the revenue necessary to contribute directly to the war effort (the Anglo-Egyptian Sudan made a 5 million GBP¹⁴ gift to Britain), and increased its production of high quality cotton, which was vital to the war effort, and expanded food production, all the while containing inflation.¹⁵ Sudan was relatively fortunate in terms of the hardships encountered as it adjusted its economy to wartime conditions. The demands that the United Kingdom placed on Sudan remained fairly stable throughout the war, and even though the country was asked to increase its production of foodstuffs, cotton, the country's main export, continued to find ready markets. Sudan's success in selling cotton, particularly certain types of high-quality cotton, meant that the damage

open commerce, transforming its formal empire and other closely allied trading partners into a semi-closed trading bloc.

John Darwin, *The Empire Project: The Rise and Fall of the British World-System, 1830-1970* (Cambridge, UK: Cambridge University Press, 2009) 418-509; Harold James, *The End of Globalization: Lessons from the Great Depression* (Cambridge, Mass.: Harvard University Press, 2001).

¹⁴ GBP=British Pounds

¹⁵ John Cummins, "War Inflation," note, June 20, 1943, Finance Department, SAD, J.W. Cummins Collection 635/12/1-44.

done to the economy as a result of its adjustment to war needs was more limited than in many countries.¹⁶

The greatest economic disruptions were caused by wartime inflation, though agricultural prices were artificially suppressed. Inflation during the war years created constituencies within Sudan that demanded economic reform. Prices were kept low through purchasing agreements with Britain that paid far below the market price for commodities like cotton. In exchange Britain agreed to buy fixed quantities of cotton. In addition, tenant farmers working on and selling to state run agricultural schemes were often forced to participate in price stabilization funds, which promised to reimburse farmers when the market price for commodities were low with savings accumulated when prices were high. These funds were allowed to accumulate savings to originally unforeseen levels during the war years. Therefore, questions about how to equitably spend the funds accumulated within the stabilization accounts would haunt postwar planners in Sudan as well as throughout much of British Africa.¹⁷

Forced savings particularly galled farmers because they faced inflation. Finance officials noted that unprecedented sums of money had begun to circulate within the economy. Prior to 1939, the amount of currency normally in circulation in Sudan was LE 1.75 million, while by 1943 that figure had risen to LE 4.25 million. Price rises were further aggravated by the fact that the war made imported consumer goods increasingly

¹⁶ "Sudan Cotton in Wartime. Financial Secretary's Office," note, 1943, SAD, J.W. Cummins Collection, 635/12/1-44.

¹⁷ For a discussion of the political complexities that could arise as a result of the rapid accumulation of funds stored in colonial marketing boards, particularly in the case of Nigeria, see Robert L. Tignor, *Capitalism and Nationalism at the End of Empire: State and Business in Decolonizing Egypt, Nigeria, and Kenya, 1945-1963* (Princeton, NJ: Princeton University Press, 1998) 195-293.

scarce. The nightmare scenario which played out in the minds of colonial officials was a continuous sequence of “rising wages and rising returns to cultivators and cattle owners followed by a tendency towards a general rise in prices and then wages.”¹⁸ Officials believed that inflation would lead to social disruptions.

However, as the war came to an end, it was recognized that economic activity in Sudan would not immediately revert to its prewar pattern. For instance, economic controls could not be abandoned in the near term and inflation continued to be seen as a problem that demanded constant attention. Yet on the positive side of the ledger, the six years of austerity budgets prior to 1946 that British officials had drafted accentuated the accumulation of fiscal surpluses earned from the rising price of cotton on international markets.¹⁹

An acute awareness of rising cotton prices among the wider public put added pressure on the British officials managing financial policy to find a means of either returning a share of the profits to the farmers, who had earned them, or to re-invest the profits in ways that mitigated rising public outrage. Yet officials within the Department of Finance remained cautious about committing themselves to large expenditures, citing their difficulties in determining with precision the size of the market for cotton. They knew that they lacked the expertise to reliably forecast the future of the international cotton market, so the International Cotton Association was enlisted to help the

¹⁸ John Cummins, “War Inflation,” note, June 20, 1943, Finance Department, SAD, J.W. Cummins Collection, 635/12/1-44.

¹⁹ “Statement by Financial Secretary, Sudan Government, Post-War Development.” SAD J.W. Cummins Collection, 635/14/1-39/.

Government of Sudan interpret general trends.²⁰ The association represented the interests of the major cotton producing countries, and it tried to provide data about both future patterns of consumption and production.

The caution of senior officials in regards to embarking on large development projects reflected the reality that the international market for cotton was unstable. Even as the demand for cotton rapidly rebounded following the conclusion of the Second World War, the supply of cotton continued to lag. It was this lag that created the conditions in which cotton prices appeared destined to rise indefinitely. As of the 31st of July, 1947 worldwide consumption was approximately 27.5 million bales, which was close to 95% of the prewar totals. At the same time production was only 70% of its prewar average of 31 million bales. Stores of cotton built up in the cotton consuming countries during the war years were used to cover the difference between the amount of cotton consumed and the amount of cotton available after the war finished. It was difficult for market participants to calculate the extent of these stores. The estimated production of the 1946/47 season was barely 21.5 million bales. Production levels were slowly increasing. However, there were serious constraints on how quickly production could be increased. Many countries placed limits on the production of cotton, because they needed to prioritize the production of food crops. For instance during the 1946/47 season, India, the USSR and Egypt all continued to impose restrictions on cotton

²⁰ The International Cotton Association was created on September 9, 1939. It was based in Washington, D.C. Its original members were the Governments of India, Egypt, Brazil, the British Cotton Exporting Colonies, French Cotton Exporting Colonies, USSR, Peru, Mexico, Sudan and the United States.

production in order to increase stocks of food. The price of cotton traded on markets in the United States was at least three times the pre-war level.²¹

Another reason that the international cotton market remained volatile was due to its extremely fragmented and opaque nature. This fragmentation resulted from a “world of import and exchange controls, of floors and ceilings, of large-scale contracts, sales tied to credits, of free and official currencies, of export taxes, and of barter...” For policymakers trying to understand the future, “prices lost some of their meaning and comparisons [were] difficult.”²² Uncertainty counseled caution. In these circumstances, officials were hesitant to commit capital to new investments, which would require a long period to pay back their initial capital.

Despite the uncertainty involved in accumulating revenues from cotton, the very size of those revenues meant that finance officials felt compelled to respond to surpluses with new development plans. One way of illustrating the changed circumstances of the Government of Sudan is to note that in the 1951-52 fiscal year, government revenue was ten times its prewar level, and more than five times what it had been only three years earlier. Government revenue stood at LE 8.3 million in 1946; yet, by 1950-51 government revenue stood at LE 41.87 million. The rise in revenue was a product of the high price of cotton in international markets.²³

The Political Environment Prior to Planning in 1946

²¹ Cotton, Statistics and International Cotton Association, International Cotton Executive Committee, Minutes of the Fifth Meeting of the Executive Committee of the ICAC, Washington, D.C, April 30 1947, NRO Finance 3-A/28/8/30.

²² Ibid.

²³ Daly, *Imperial Sudan* 303.

Sales of cotton were not the only factors influencing Sudanese economic policy. Planners were also swept up in an environment of shifting political loyalties and rapidly evolving national sentiments. The rise of anti-colonial sentiment in Egypt and Sudan, coupled with Egypt's increased autonomy raised questions in Sudan, Egypt, and Britain about Sudan's relationship with the Condominium powers. Uncertainty about the economic relationship of the territory of Sudan to Britain and Egypt, as well as of the various regions of Sudan to one another, continued as finance officials began to plan in 1946.

During the 1930s, nationalist sentiment within the senior ranks of the civil service began to grow for several reasons. The first cause was that this decade witnessed an increase in the stature of the Governor-General and his cabinet in Khartoum. This was manifest in the Government of Sudan's confidence in assuming more responsibility for the running of its affairs without reference to either Cairo or London. The Anglo-Egyptian Treaty of 1936, and the complete absence of any Sudanese participation in its negotiations, however, came as a shock to the British officials who staffed the upper ranks of the Sudanese government and the Sudanese urban and professional classes, many of whom also worked in government positions. While Governor-General George Stewart Symes was kept abreast of the negotiations, informed Sudanese opinion was ignored, as were the opinions of the members of the Sudanese Political Service.²⁴ To the

²⁴ Article 11 of the Anglo-Egyptian Treaty dealt with Sudan. It reaffirmed the original Condominium Treaty of 1899, and stated that the principal goal of the Government of Sudan should remain "welfare." It vested the authority to choose government servants with the Governor-General, and reaffirmed that both Egyptians and British citizens would be eligible to fulfill positions for which there were no qualified Sudanese. Egyptians would have the right to immigrate and to buy property without prejudice.. While, Egypt was prevented from immediately asserting increased sovereignty over Sudan, the

British and Egyptian negotiators who signed the treaty this was natural, as the treaty primarily concerned Britain's continuing relationship with a sovereign Egypt.

The treaty of 1936 enabled Egypt to become a member of the League of Nations, and in 1945, it became one of the original members of the United Nations. However, the prospect of direct negotiations between Egypt and Britain over the fate of Sudan and the reintroduction of Egyptian administrators in the Anglo-Egyptian Sudanese government threatened both the British officials who were making their careers in Sudan's administration and many members of the Sudanese educated class. The latter expected to find easy access to promotions and other responsible positions within the government.²⁵ In response to the insecurity that they felt as a result of having been ignored during the 1936 Treaty negotiations, the British members of the Sudan Political Service quickly realized that the only way to secure their position as the legitimate authority presiding over Sudanese affairs was to argue that they spoke for the Sudanese people.

Senior members of the Political Service, such as Civil Secretary Sir Douglas Newbold,²⁶ began to advocate, if reluctantly at times, for an Anglo-Sudanese Sudan to

principle that sovereignty was something that would be negotiated by the imperial powers alone was reconfirmed. Daly, *Imperial Sudan* 57-58.

²⁵ It should be noted that the Anglo-Egyptian Sudan was not administered by the British Colonial Office, but was referred to the Foreign Office. The administrators, not members of the various technical services, who served in the Anglo-Egyptian Sudan, were neither members of the Foreign Office or the Colonial Office, but members of the Sudan Political Service. These officials did not rotate between Sudan and other colonies, but rather spent their entire careers within Sudan. Their pensions were even guaranteed not by the British government, but by the Government of Sudan.

²⁶ Like many of the British officials who held senior positions in Sudan during the 1940s, Newbold began his career in the Anglo-Egyptian Sudan in the 1920s, and was governor of Kordofan from 1932-1938, and then civil secretary, perhaps the highest-ranking position within the civil service from 1939 until 1945.

replace the existing Anglo-Egyptian Sudan.²⁷ The administration initially supported the formation of a non-sectarian caucus to represent the Sudanese intelligentsia, which was named the Graduates' General Congress in 1938. The Congress included a large number of Sudanese government officials. Initially it was to limit its activities to those of a cultural association. However, by 1942 it produced a memorandum to the Government demanding that the Congress should be recognized as having the right to speak for the Sudanese people.²⁸ Despite the fact that the British administrators in Sudan were searching for Sudanese organizations that could legitimize their presence in the international arena, they were unwilling to cede, or even share, the right to speak for the Sudanese people with another authority. The administration in Khartoum rejected the right of the Graduates' General Congress to speak for the Sudanese people, signaling that

²⁷ In thinking about the rise of nationalism in both the Ottoman Empire and the Russian Empire at the end of the Nineteenth Century, Michael Reynolds has the following to say which also holds true of the manner in which interstate competition between Britain and Egypt gave rise to nationalism amongst both Anglo-Sudanese administrators and Sudanese civil servants: "The rise of nationalism in these borderlands at this time is better seen as a byproduct of interstate competition than as the stimulus of that competition." See Michael Reynolds, *Shattering Empires: The Clash and Collapse of the Ottoman and Russian Empires, 1908-1918* (Cambridge, UK: Cambridge University Press, 2011) 18.

²⁸ The memorandum delivered to the Sudanese government contained twelve points. These points concerned four primary themes. The first was that Sudan within its existing borders should be granted the right of self-determination. This included the right of the Sudanese to determine their own relationship with Egypt. The second demand was for the south to be integrated directly with the northern regions of the country. The third demand was that a representative body should be created to approve the budget and ordinances. The fourth demand was that Sudanese officials should be promoted both within the government and the various state-controlled economic enterprises within the country. Peter Woodward, *Condominium and Sudanese Nationalism* (London, UK: Rex Collings, 1979) 23-24; Daly, *Imperial Sudan* 73; also see Heather Sharkey, *Living with Colonialism: Nationalism and Culture in the Anglo-Egyptian Sudan* (Berkeley, California: University of California Press, 2003) for an in-depth discussion of the cultural milieu that most the members of the Graduates' General Congress emerged from and also the emergence of *Sudani* as a category of self-identification.

the British staffed administration would not smoothly transfer its authority to another group.

This rejection of the Graduates Memorandum ushered in a period of division within the nationalist movement and amongst British administrators, as both groups attempted to figure out how to proceed. Egypt challenged Britain's legal right to govern Sudan during the years 1946-1947, even going so far as to take the issue to the United Nations Security Council. The presence of Egypt as a willing ally for Sudanese factions that wished to push for faster changes to the political landscape in Sudan created a situation where the incentives for squabbling factions to cooperate was very small. Consequently the six years between the end of the Second World War and the Egyptian decision in 1951 to renounce its claim to sovereignty over Sudan were marked by political stagnation. Neither Sudanese politicians nor British administrators knew how to proceed in order to create a new political equilibrium, one in which Khartoum's voice could be heard and accorded more independence.

However, as the political future of the Anglo-Egyptian Sudan remained mired in the ambiguity and the uncertainty of negotiations among multiple factions of Egyptian, Sudanese and British politicians, questions about the economic future of the territory could no longer be put off. Deeply indebted to its imperial possessions, Britain owed Egypt (the money which it owed Sudan was included in this sum) approximately 425 million pounds sterling. Egypt with Sudan was Britain's third largest creditor after the United States and India, and Egypt and the broader Middle East figured prominently in postwar British economic planners' visions of a restored imperial economy.

By 1945, economic growth in Egypt had stalled. Per capita GDP had declined precipitously during the war years, and in 1945 it may have been 20 percent lower than it had been in 1900.²⁹ For Egyptians who saw the economic stagnation largely as the result of the exhaustion of their agricultural land, the prospect of incorporating Sudan with all of its agricultural potential into their economic sphere of influence was immensely attractive.³⁰ At the same time, British officials saw Sudan as a potential hedge against losing Egypt and as a bargaining chip they could leverage in negotiations to maintain their military and economic position in the Middle East.³¹

One of the reasons that officials in Khartoum felt the pressures of imperial economic weakness so acutely was that Sudan, though its economic activity was quickly increasing, remained a frontier of two divergent economies, as well as the numerous smaller local economies within its borders.³² Even as the value of Sudan's exports

²⁹ Tignor, *Capitalism and Nationalism* 29 and 36.

³⁰ In 1967 it was estimated that only 8 million acres of a potential 100 million acres of land which could be cultivated were actively being developed. See Adel Amin Beshai, *Export Performance and Economic Development in Sudan, 1900-1967* (London, UK: Ithaca Press, 1976) 2.

³¹ In many ways Britain's desire to maintain its massive bases within the Suez Canal was even more significant than its desire to expand its economic activities within Egypt. Robert L. Tignor, *Capitalism and Nationalism* 27-62.

³² In India, a distinctive colonial state space, "The modalities of spatialization included the institution and workings of a massive web of transportation and irrigation structures that integrated and demarcated colonial India as a unit of state governance and the shifting coordinates of a distinctive political economy of empire as forged by various colonial officials and British economists from John Stuart Mill to John Maynard Keynes. The material homogenization of financial space and official representations of the colonial economy as a bounded totality occurred simultaneously. This process was concretized in the generalization of state issued "pure" (nonconvertible) paper currency, the hierarchical consolidation of distinct monetary forms and institutions on different spatial scales of the imperial economy, the reconfiguration of financial instruments...the 1862 introduction of a single, annual state budget, and the standardization of accounting procedures."

Goswami, *Producing India* 8-9.

increased from LS 5.6 million in 1936 to LS 61 million in 1951, Sudan remained more of an economic frontier rather than its own enclosed economic and colonial space.³³ This can be seen in the fact that the territory, like many other African possessions, possessed a restricted transportation network. At the same time, a vast array of hydrological and irrigation works was scattered across the territory, which, moreover, were designed to function as part of a transnational Nile river basin, rather than as an infrastructure system defining the Anglo-Egyptian Sudan. The economic and financial unity of the country was also limited by the use of the Egyptian currency and an overlapping banking network that was alternately centered in Cairo and in London. The National Bank of Egypt served as the bank of the government in Khartoum. However, government officials strove to rely on purely British banks such as Barclays DCO, in order to separate their monetary policy from that of Egypt.³⁴ Tensions about the international orientation of Khartoum's monetary policy were further exacerbated by Egypt's announcement that it would leave the Sterling Convertibility Zone in 1947.³⁵ This move placed Sudan in two distinct monetary spheres as Sudanese officials strove to preserve their place within the sterling area.

Senior British officials within the Department of Finance in Khartoum were among the first to contest Sudan's position as a mere economic frontier of Egypt or empire and to argue that the territory constituted its own economic space. Development planning played a key role in this transformation. Prior to 1946, the Sudanese

³³ These figures were derived from Sudan Government, *Annual Foreign Trade Reports* in Beshai, *Export Performance and Economic Development* 11-12.

³⁴ A. L. Chick, letter to C. G. Davis on Sudan Sterling Balances, 14th November 1951, SAD, G.D. Lampen Collection 732/8/1-162.

³⁵ Tignor. *Capitalism and Nationalism* 36.

government conceptualized development planning as a series of individual projects and paid little attention to the need to coordinate the development of different agricultural or development schemes. The planning process begun in 1946 began to change this.³⁶ The conceptualization of the Sudanese economy as an independent object of planning was a gradual process that developed over the next twenty years as the planning process itself matured.

The First Five-Year Plan for Postwar Development

Getting to the point where a colonial or postcolonial official in Sudan could ask what was good for the Sudanese economy was a long process. But the impetus was that the Anglo-Egyptian Sudan was ineligible to receive official British development aid since it was technically not a British colony but a condominium government managed by the Foreign Office rather than the Colonial Office. Still British officials in Sudan asserted, whenever convenient, that the Anglo-Egyptian Sudan was an imperial responsibility. After sustained official and popular protests in 1946, the British Treasury granted Sudan two million sterling pounds in appreciation of the country's commitment to the wartime struggle. One result of this grant was that Sudan began a process of long-term

³⁶ The main planned schemes prior to 1945 were the Gezira Scheme, the Alternative Livelihood Scheme and the Gash Delta Project. The Alternative Livelihood Scheme was designed for the settlement of 70,000 families whose land was flooded by the construction of the Jebel Aulia Dam on the White Nile. The Gash Delta Project was a 35,000 acres scheme with 7,000 tenants. It was primarily a cotton-exporting project. Beshai, *Export Performance and Economic Development* 15 and 29 note 18.

development planning, designed to emulate the planning processes mandated for Britain's official colonies under the Colonial Development and Welfare Act of 1940.³⁷

The writing of the first plan, a thirteen-page aggregate of Sudan's development priorities, was undertaken by the Finance Secretary Sir Eddington Miller, his deputy Arthur L. Chick and the deputy assistant Financial Secretary John Carmichael.³⁸ This document, entitled *The Five Year Plan for Postwar Development in Sudan: 1946-1951* was a hodgepodge of projects, reflecting a multitude of different desires and priorities.³⁹ The Development Priorities Committee, which was composed of the financial secretary, the civil secretary, the comptroller-general of war supply, and the general manager of the Sudan Railways, was charged with prioritizing what would be included in the plan. In

³⁷ Wm. Roger Louis, *The British Empire in the Middle East, 1945-1951: Arab Nationalism, The United States, and Postwar Imperialism* (Oxford, UK: Clarendon Press, 1984) 181; M.W. Daly, *Imperial Sudan*: 304-305.

There was considerable pressure to create more bureaucratic means of distributing and justifying spending on development following the passage of the Colonial Development and Welfare Act, and even though this Act did not apply to Sudan, the practice spread. Monica M. van Beusekom and Dorothy L. Hodgson, 2000. "Lessons Learned? Development Experience during the Late Colonial Period," *Journal of African History*, 41:1:31.

³⁸ J.W.E. Miller, "1945/46 Development Budget," letter to Secretary General's Council, *The Sudan Archive at Durham University*, SAD, J.W. Cummins Collection, 636/1/1-42. Miller had arrived in Sudan in 1920; Chick and Carmichael came in the 1930s.³⁸ The Sudan Political Service, created in 1901, operated independently of the other British civil services, such as the Colonial Service, the Home Service or the Indian Civil Service. The vast majority of its members were recruited from a rather narrow demographic base of the lower gentry, trained at public schools and had their undergraduate degrees from Oxford and Cambridge. The narrowness of the social base from which these officials were recruited, combined with the Sudan Political Service's autonomy from other administrative orders, created a buffer between administrative practices undertaken in Sudan and in the rest of the empire. See: Robert O. Collins, "The Sudan Political Service: A Portrait of the 'Imperialists,'" *African Affairs*. 71.284 (July 1972.): 293-303. See also: Daly, *Imperial Sudan* 26. Daly suggests that even during the 1930s Sudanese officials were divorced from larger debates about colonial governance, despite struggling with similar challenges.

³⁹ Sudan Government, *Five Year Plan for Post-War Development* (Khartoum, Sudan, 1946).

order to allocate funds for development and reconstruction, a General Development Account was created. Officials within the Supplies (Expenditure Branch) of the Department of Finance managed this account. This branch was also charged with formulating ordinary budgets.⁴⁰

The Five Year Plan allocated LE 11,480,470 to a wide variety of schemes suggested by the governors of various provinces and the heads of departments.⁴¹ The first page of the plan explicitly stated that the goal was to create “a store of development plans out of which projects could be selected from time to time,” provided that the government possessed the resources and inclination necessary to invest in these capital improvements.⁴² Since the planning process was so ad hoc, the plan itself possessed very little coherence. It was heavily skewed in favor of productive (revenue-generating) schemes. The plan included ample warnings that development should not be allowed to proceed so quickly that increased government spending would spur inflation either domestically or, in conjunction with reconstruction spending occurring simultaneously in other parts of the empire, internationally. The discussion of inflation was a means of reminding Sudanese officials that they would not be permitted to prioritize the economic development of Sudanese territory over broader imperial objectives. Despite persistent

⁴⁰ Abdel Rahim Mirghani, *Development Planning in the Sudan in the Sixties* (Khartoum, Sudan: University of Khartoum Press, 1983) 8-9; Daly, *Imperial Sudan* 304.

⁴¹ LE stands for Egyptian Pound. Until 1957 the Egyptian pound was the legal tender in Sudan. From World War I until 1962 the Egyptian pound was pegged to the British Pound at almost 1=1 parity or 0.975 Egyptian pounds to 1 British pound. The exchange rate with the US dollar was 0.25 Egyptian pounds to 1 US dollar. In today's US dollars the funds allocated by the Government of Sudan for development LE 11,480,470 equals \$526,257,670 (2010).

⁴² Sudan Government, *Five Year Plan for Post-War Development* 1.

worries about inflation, the planners believed that a cautious increase in spending was justified by rapidly increasing revenue throughout the 1940s.⁴³

Because the plan gathered up projects promoted by imperial and Sudanese bureaucrats, it attempted to blend local development projects, aimed at regional self-sufficiency and increasing the governability of local populations, with territory-wide programs, and supra-territorial programs, notably the further expansion of major irrigation schemes, which were tied to the management of the entire Nile Basin. Nonetheless, the first five year plan did not primarily pursue development goals that were focused on the territorial unit of the Anglo-Egyptian Sudan, for the planners did not regard Sudan as the primary unit of economic development. Instead, the plan developed economic units that were both much larger and smaller than the administrative unit of the Anglo-Egyptian Sudan.

Planning involved a process of interdepartmental meetings, budgeting, the oversight of specific project plans, project modifications and re-budgeting.⁴⁴ Budgeting and re-budgeting are central to this story, because it was in the process of allocating and managing funds that Sudan was eventually defined as the primary economic unit. The planning process was centralized through the creation of the General Development Account. Those managing this account found themselves in a position to coordinate the funding of new capital investments. In the budgets of the Finance Department capital expenditures were kept distinct from recurring expenses covered by allocations from the

⁴³ Sudan Government, *Five Year Plan for Post-War Development* and “Statement by Financial Secretary, Sudan Government, Post-War Development,” SAD, J.W. Cummins Collection 635/14/1-39/.

⁴⁴ Mary S. Morgan, “‘On a Mission’ with Mutable Mobiles,” *Working Paper on the Nature of Evidence: How Well do ‘Facts’ Travel?* No. 34/08 (August 2008): 6-7.

ordinary budget. Deputy Financial Secretary A.L. Chick and his assistant John Carmichael were constantly being asked to supervise and comment on the priority of particular schemes and projects and whether they were worthy of being funded. Altering the purpose of particular projects was not within the original mandate of the Department of Finance. After all, finance officials initially intended for their Department to confine itself to prioritizing and coordinating the undertaking of various projects designed by the other branches of government. However, finance officials soon found themselves involved in the details of designing projects and setting actual development policy. Once Chick and Carmichael became involved in development policy their advocacy of certain positions in the midst of bureaucratic competition they were inexorably led to promoting a national territorial perspective. As the officials in the Finance Department reviewed development projects and plans, they saw their influence grow and they increasingly based their funding choices on whether or not individual projects contributed to the territory's overall development.⁴⁵ By the 1950s, the "national" territorial perspective had

⁴⁵ In order to discuss the wide variety of legal creations within the British Empire, and to distinguish the juridically recognized parts of the Empire and the Empire itself as well as other legally unrecognized units within the Empire, Helen Tilley employs the terms "territory" and "territorial," when discussing entities encompassing a wide range of legal statuses such as Egypt, South Africa or the Anglo-Egyptian Sudan, technically a Condominium in which both Britain and Egypt possessed dual sovereignty. See: Helen Tilley, *Africa as a Living Laboratory: Empire, Development and the Problem of Scientific Knowledge, 1870-1950* (Chicago, IL: University of Chicago Press, 2011) 6. See also the frequent use of the terms territorial and territory in D. A. Low and J. M. Lonsdale, "Introduction: Towards the New Order 1945-1963," in ed. D. A. Low and Alison Smith, *History of East Africa* (Oxford, UK: Clarendon Press, 1976) 1-64.

won out over the concepts of imperial and local economic management that had had the upper hand in the 1940s.⁴⁶

Initially a division of labor developed in which officials within the Department of Finance confined themselves to aggregating and supervising proposals designed in other parts of the government. This division of labor required a system of fluid communication between the different branches of government that rarely existed. John Carmichael's frustration with the Governor of Kordofan's attempts to expand cotton cultivation in the Nuba Mountains illustrates the difficulty of designing an administrative system that would allow development proposals to flow smoothly from the local level to the central government. Development was to originate with those who knew the local conditions best. Yet by 1949, the newly promoted Financial Secretary Arthur Chick was heard complaining that, "development planning in Kordofan must fit in with central planning for the country as a whole and we have yet to decide what is the best machinery to set up for the latter."⁴⁷ Chick was articulating a planning perspective which defined the territory

⁴⁶ The idea that different groups of officials and departments within the same government can simultaneously be working towards divergent conceptions of the state and even mutually competing policies within the same bureaucracy has been explored by Boaventura de Sousa Santos, "The Heterogeneous State and Legal Pluralism in Mozambique," *Law and Society Review* 40.1(March 2006): 42-44; Boaventura de Sousa Santos, *Toward a New Common Sense-Law, Science and Politics in the Paradigmatic Transition* (New York, NY: Routledge, 1995).

⁴⁷ A.L. Chick, comment to John Carmichael June 12 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/. As Monica M. Van Beusekom describes in her article on the Office du Niger it was difficult to impose a unified vision of how to manage development schemes on particular projects (when such a vision existed) because not only did "African settlers at the scheme often fail to follow project directives"...but "Also significant were the struggles among Office personnel, colonial officials of Soudan, the government general of French West Africa and ultimately the metropolitan policy makers." Monica M. Van Beusekom, "Disjunctures in Theory and Practice: Making Sense of Change in Agricultural

of Sudan as the most relevant unit of planning. However, the possibility of accumulating development proposals designed in other parts of the government at the Department of Finance was hindered by a weak planning apparatus. Still, it was a commonly held belief within the Sudan Political Service that in designing development projects “local knowledge must prevail.”⁴⁸ Officials within the Finance Department acknowledged that the process of developing proposals at the local level and then sending the information up the chain of command in order to prioritize proposals was failing badly.

Problems of information management persisted throughout the entire period of experimenting with planning in practice and went to the heart of debates about planning in theory. Dissatisfaction was rampant. Deputy Financial Secretary John Carmichael wrote that he thought the Governor of Kordofan was “groping for some scheme but wants someone to think it out for him.” At the same time, the Governor of Kordofan wrote to the Civil Secretary that he wanted “those who settle policy” to come and see the conditions locally before they started the process of detailed planning.⁴⁹

Development at the Office Du Niger, 1920-60,” *Journal of African History* 41.1 (2000): 80-81.

⁴⁸ John Carmichael, comment to A.L. Chick, the Financial Secretary, December 23 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/.

Contrary to the idea of development as a universalist discourse imposed from the outside conveyed in Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World* (Princeton, NJ: Princeton University Press, 1995), finance officials acknowledged that local knowledge was important. Their primary dilemma was in gaining access to the knowledge of farmers and even of local colonial officials. The reason that local knowledge was often not incorporated in the planning of development schemes often sprang from a lack of access rather than outright bias.

⁴⁹ John Carmichael, comment to A.L. Chick, the Financial Secretary, December 23rd, 1949. Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/; and Comment, From F.S. to D.F.S., “Governor Kordofan to C.S. re. proposed

The development projects that finance officials evaluated originated not only with regional or local authorities, but also in functional departments such as Irrigation or Agriculture. The Irrigation Department was principally concerned with large-scale engineering works. It was charged with their design, construction and operation.⁵⁰ In the 1940s, the most important projects over which the Sudan Irrigation Department had supervisory powers were the Sennar Dam, the Gezira Canalization System and various other works in support of the Gezira Scheme, as well as smaller irrigation works in the Gash Delta and in Northern Province.⁵¹ The Irrigation Department saw itself as the “water treasurer of the country.”⁵² A key principle of the Irrigation Department at the end of the Second World War was that water was an asset which belonged to the country as a whole. Therefore even as they encouraged private enterprise, irrigation officials argued that development had to be managed in a centralized fashion.⁵³

After 1946, finance officials charged with implementing the planning process began to throw their weight behind the perspective that the territory of Sudan was the appropriate spatial unit for planning. The concept of Sudan as a distinct economic unit had been adapted from officials in the Sudan Irrigation Department, who developed this argument while negotiating with Egypt over water rights. The competition over which agency the Egypt Ministry of Public Works or the Sudan Department of Irrigation had the

meeting to consider Nuba Mountain Cotton industry,” December 22 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/.

⁵⁰ Transcript of Broadcast by Mr. A. E. Griffin, April 5 1943, SAD, R.J. Smith Collection, 498/6/1-66/.

⁵¹ Transcript of Broadcast by Mr. A. E. Griffin, April 5 1943, SAD, R.J. Smith Collection, 498/6/1-66/.

⁵² Ibid.

⁵³ Draft Transcript of Broadcast, “Irrigation in the Sudan Now and the Next Five Years.” October 1, 1945, SAD R.J. Smith Collection, 498/6/1-66/.

right to manage the territory's water resources began in the 1930s. A distinctly nationalist view developed in the Irrigation Department as a result of their competition with Egypt over the right to manage the Nile water flowing through Sudan's borders on its way to Egypt.⁵⁴ The adoption of the territorial perspective by finance officials, as the planning process matured, allowed the water nationalism of irrigation experts to be imposed on agricultural schemes, transportation and the budgets of the Anglo-Egyptian Sudan. While most members of the Condominium bureaucracy saw themselves as either local officials or as imperial civil servants, the competition between members of the Sudanese Irrigation Department and their Egyptian counterparts in the Ministry of Public Works over managing the Nile waters made Sudanese irrigation officials think in terms of Sudan's territorial prerogatives. .

Unlike their peers in the Irrigation Department, when the first plan began to be drafted in 1946, finance officials as well as many other members of the bureaucracy were still trying to define their positions as imperial, local or Anglo-Sudanese officials, and therefore were unable to offer a definite set of criteria about which projects should be funded. Between 1946 and 1951, however, when the second national plan was put forward, the department gradually developed a set of criteria about what types of projects it would support. Finance officials prioritized development projects that maximized the potential financial contribution to the central budget. One of the primary consequences of this approach was a growing intolerance within the Department of Finance for projects

⁵⁴ See discussion in Ch. 2 and Robert O. Collins, *The Waters of the Nile: Hydropolitics and the Jonglei Canal, 1900-1988* (Princeton, NJ: Markus Wiener Publishers, 1996) 247-249. See also: Letter from Secretariat to African Department, FO, February 25 1950, FO 371/97019; Letter from African Department, FO to Secretariat, February 17 1950, FO 371/80531; Letter from Secretariat to African Department, FO, February 25 1950, FO 371/80531

that focused on regional or local development without attempting to maximize their contribution to increased economic activity throughout the territory. Naturally, finance officials have always been concerned with earning a profit. But whereas earlier they would have found themselves subordinate to other interest within the government, the rising importance of planning increased their voice within the government and their autonomy. Gradually, the position of the senior members of the Department of Finance hardened as they came to see Sudan as an economic unit in itself, distinct from both the smaller units of its sub-regions and the Egyptian and British imperial economies.⁵⁵

During the 1940s, the development of a territorial perspective as an evaluative lens can be traced by examining how economic policy was made in three cases: the Nuba Mountain Cotton Cultivation Scheme, the Equatoria Projects Board and river traffic on the southern stretches of the Nile. Each of these cases embroiled large parts of the Sudanese government in debates related to the purpose of economic development. By examining each of these controversies, it is possible to uncover the positions of the senior officials within the Sudanese government about what they saw as the main aims of economic policy. Some officials advocated trusteeship over specific peoples, and others, particularly within the Finance Department, argued that economic policies should be designed in order to maximize revenue generation.⁵⁶ Finance officials gradually came to

⁵⁵ For a discussion of how changes in the relevant unit in which questions such as poverty, economic growth or development generally were discussed affected the types of answers that experts and other officials formulated, see: James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham, NC: Duke University Press, 2006) 60-61.

⁵⁶ “A related development was the new found belief in the organizational and administrative abilities of bureaucracies to manage such large projects; the days of itinerant district officers haphazardly implementing small projects was long gone.” Beusekom and. Hodgson, “Lessons Learned?” 31.

believe that the costs and inefficiencies associated with local government and indirect rule should not be inserted into the design of economic development programs.

Implementing “The Five Year Plan for Postwar Reconstruction” In Practice

The Nuba Mountains Cotton Cultivation Scheme, the Equatoria Project Board, and the debate that arose over regulating river traffic on the southern stretches of the Nile serve to illustrate some of the major controversies about the objective of development and demonstrate that officials within the Department of Finance argued successfully that development should support the expansion of economic activity at the scale of the territory of Sudan rather than at more local levels, regions, provinces or ethnically defined districts.

By insisting that the economic success of government policies be measured primarily at the level of the Condominium as the surpluses accumulated in the central development and ordinary budgets, finance officials were indirectly demanding significant changes in the ways in which the Condominium ruled its people. In particular, these shifts meant abandoning two longstanding administrative objectives developed in the 1920s and carried out in various ways until after the Second World War. The first policy was the devolution of administrative authority to localities responsible for ruling specific groups of peoples in Sudan.⁵⁷ The second policy was the establishment

⁵⁷ For a discussion of the legacies of the policies of indirect rule on politics in Sudan see Mahmud Mamdani, *Saviors and Survivors: Darfur, Politics, and the War on Terror* (NY, NY: Pantheon Press, 2009). Also see Justin Willis, “Violence, Authority and the State in the Nuba Mountains of Condominium Sudan,” *The Historical Journal* 46.1 (2003): 89-114. Also Cherry Leonardi, *Knowing Authority: Colonial Authority and Local Community in Equatoria Province, Sudan, 1900-1956* (Durham University, UK PhD

between 1922 and 1930 of “closed districts,” areas in which northern Arab merchants and Islamic missionaries were forbidden from entering. The policy of closed districts allowed administrators to argue that certain development projects should be designed to benefit particular groups primarily or exclusively, because those groups were economically or politically less advanced.⁵⁸

The Nuba Mountains’ Schemes

The Nuba Mountains are located in the southern part of Kordofan, a large province directly west of Khartoum and east of Darfur. The province stretches from the deserts in the far north of the country down into the grasslands and swamps that often marked the boundary with southern Sudan. The British considered Kordofan an Arab province. But next to the agro-pastoralist Dinka population that traversed the southern border regions with Upper Nile Province, the province included another substantial African population, whose origins the British considered obscure. These people living in a series of hills in the southeast of the province were often referred to as the Nuba. It was acknowledged within British ethnographic literature that the Nuba were not a single people, but the remnants of several distinct peoples eventually pushed into the hills and off the clay plains that dominated the landscape of Kordofan. The ethnographic

Thesis, 2005). See also Chris Vaughan, *Negotiating the State at its Margins: Colonial Authority in Condominium Darfur, 1916-1956* (Durham University, 2011). For an explanation of the liberal underpinnings of “good governance” and “indirect rule,” as a “form of rule that would work towards the improvement of the subject races,” see Karuna Mantena, “The Crisis of Liberal Imperialism,” in Duncan Bell, eds., *Victorian Visions of Global Order: Empire and International Relations in Nineteenth-Century Political Thought* (New York, NY: Cambridge University Press, 2007) 118 and 124.

⁵⁸ M. Abdel Rahim, “The Development of British Policy in Southern Sudan,” *Middle Eastern Studies* 2.3 (April 1966): 231. See also: Veena Das and Deborah Poole, “State and Its Margins: Comparative Ethnographies,” in Veena Das and Deborah Poole (eds.), *Anthropology at the Margins of the State* (Oxford, UK: James Currey Press, 2004) 3-35.

perspective of British officials created a desire amongst them to treat the Nuba as distinct from the Arabs. This distinction became the basis of ongoing debates about how the Nuba Mountains should be developed.⁵⁹

Cotton was cultivated in the Nuba Mountains beginning in the interwar period. Although it was not the most prominent crop grown at the time, cotton was considered to be the best crop to propel the future economic growth of the region.⁶⁰ Administratively, the Nuba Mountains became an autonomous region concerned with the production of cotton in 1939. The area referred to as the Nuba Mountains Development Area included Tegale and Jebels District, and some parts of western Kordofan.⁶¹ In the ten years after 1939, the price of cotton increased five-fold.⁶² Yet, despite repeated attempts to make the cultivation of cotton attractive, there was a general concern amongst government officials about their ability to incentivize the Nuba to grow more cotton. Cotton production continued to rise with the involvement of Arab groups such as the Hawazma and the Misseriya but this proved a persistent challenge to authority at the district level which justified itself by proclaiming the need to exercise a trusteeship over the Nuba.⁶³

⁵⁹ Justin Willis, "Violence, Authority, and the State in the Nuba Mountains of Condominium Sudan," *Historical Journal* 46.1 (March 2003): 89-114. See also: Martha Saavedra, "Ethnicity, Resources and the Central State: Politics in the Nuba Mountains, 1950s to 1990s," in Endre Stiansen and Michael Kevane, (eds.) *Kordofan Invaded: Peripheral Incorporation and Social Transformation in Islamic Africa* (Boston, Brill, 1998) 224-225.

⁶⁰ The Nuba Mountains were one of Kordofan's most reliable sources of grain. Sesame, ground-nuts and gum Arabic were also extremely profitable crops grown primarily in the adjacent plains.

⁶¹ D.C. Cumming, letter to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.

⁶² Ibid.

⁶³ Saavedra, "Ethnicity, Resources and the Central State," 227-230 and Abdel Basit Saeed, "Merchant Capital, The State and Peasant Farmers in Southern Kordofan," in

Amid growing doubts about the purpose of development efforts centered on the Nuba Mountains in particular and the province of Kordofan in general, the governor of Kordofan, D.C. Cummings began a series of conversations with high officials throughout the Government of Sudan. He pleaded for the reconstitution of the Nuba Mountain Economic Development Conference, which had gone into abeyance during the war. This conference was to include the Director of Agriculture, the Financial Secretary, Civil Secretary, the Director of the Department of Economics and Trade and various deputies.⁶⁴ Senior government officials began to meet in order to determine the development strategy that the government should pursue in the Nuba Mountains.

The discussions initiated in 1949, expressed concern about the slow pace at which cotton cultivation was expanded in the Nuba Mountains. In the face of extraordinarily high cotton prices, there was a renewed push by merchants, often of Ja ‘aliyyin and Danaqla origins, to assert their right to increase their investment in cotton cultivation.⁶⁵ However, local administrators remained committed to limiting what it considered to be “Arab” merchants’ access to Nuba communities and Nuba lands. One topic that was debated in the reconvened Economic Development Conference was whether the clay plains immediately adjacent to the hills where the Nuba resided should be considered an area reserved for exclusive Nuba cultivation. This concern soon gave way to questions

Norman O’Neill and Jay O’Brien (eds.) *Economy and Class in Sudan* (Brookfield, VT.: Avebury, 1988) 186-211.

⁶⁴ D.C. Cumming, circular to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.

⁶⁵ The Jallaba was a generalized term used for merchants from the central riverain areas along the Nile between Khartoum and Dongola. For a discussion of these groups and their relationship with the rest of Sudan under the *Turkiyya* and later under the Anglo-Egyptian Condominium, see: Gabriel Warburg, *Sudan: Islam, Sectarianism, and Politics in Sudan since the Mahdiyya* (Madison, WI.: University of Wisconsin, 2003) 13.

about whether development funds collected from Nuba farmers could be spent to improve lands that would not be tended by members of the Nuba community. At stake was both whether certain lands should be reserved for the development of particular communities and whether funds collected from particular communities could only be spent on those communities or if they could be redirected to the general improvement of the country's infrastructure. A related question concerned the degree of the state's responsibility to protect its subjects from market forces, either as members of a group, or as individuals.⁶⁶ The Conference debated whether or not to allow "Arab" investment in agriculture. The differing positions grafted easily onto the competing ideas about whether the state should support the creation of a distinct Nuba Mountain economy or if it should be imagined as an integrated part of the Kordofanian or Sudanese economy. Some officials remained committed to the idea of the Nuba Mountains, considering it a distinct region from Kordofan, and reasoning that it therefore needed to be developed separately. Others, particularly those within the provincial government, wanted to develop Kordofan as a single and separate unit. Provincial officials were able to make common cause with officials within the Department of Finance, who had increasingly come to see the economy as composed of individual actors and transactions taking place within territorial subunits, rather than collectives of different social groups. Still, while officials in El-Obeid, the capital of the province of Kordofan, might have found it convenient to aggregate economic activity primarily at the level of the province, other officials,

⁶⁶ Letter from Governor of Kordofan to Senior Inspector of Agriculture, El Obeid, "Minutes of the 7th Annual Economic Conference Held at Delami, February 24, 1940," March 12 1940. NRO Finance 3-A/42/1/2/ and D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/ and John Carmichael, comments to Financial Secretary, "Developments in Kordofan," November 29 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/.

particularly those within the Finance Department, had begun to see the territory of Sudan as a whole as the preferred unit⁶⁷

The second issue concerned the extent to which the development funds collected from the Nuba should be reserved for them as a community or if the funds could be spent on infrastructure that benefited other communities. This question fed into a larger debate about whether the Nuba were a special community or if Nuba farmers should be treated as individual economic actors just like their “Arab” neighbors, and therefore equally prone to respond to economic incentives. These issues played out together. The spatial debate about where to measure the benefits of development overlapped with questions about whether the basic economic unit was the individual or the community.⁶⁸ The immediate provocation for these debates was how to justify the presence of the ever-increasing sums of money accumulating in the Nuba Mountains Cultivators’ Equalization Fund.⁶⁹ Profits in the Equalization Fund began to rise so rapidly in the latter years of the 1940s that the official rationale that the Funds were designed to provide price stability to individual growers during periods of low prices could hardly be sustained. Prior to the

⁶⁷ John Carmichael, comments to Financial Secretary, “Developments in Kordofan,” November 29 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/.

⁶⁸ In discussing the limits of applying Foucault’s ideas of “bio-power” to colonial African psychiatric medicine, Meghan Vaughan has highlighted the contradictions inherent in a colonial state, which wished to create individuals who would enter the market as rational actors, yet remained committed to preserving the privilege of its European officials’ right to rule by emphasizing the pathology of different groups of Africans and their distance from the European ideal. Megan Vaughan, *Curing Their Ills: Colonial Power and African Illness* (Stanford, CA: Stanford University Press, 1991) 9-12.

⁶⁹ Most cultivators who were tenant farmers on public or quasi-public estates paid a portion of their income beyond that taken by the government and management in exchange for the use of land and other services into a fund meant to guarantee price stability in case of low market prices for their crop.

Second World War, when the Cultivators' Equalization Fund was set up for the Nuba Mountains, asking tenants to take part in cotton schemes was seen to be akin to encouraging them to take part in a fixed investment. The fund would allow government officials to maintain a steady price for the entire season. At a 1936 meeting on the future of cotton schemes in the Nuba Mountains, the general consensus amongst government officials was that if the government were suddenly unable to sell sufficient future contracts for the next season's cotton crop, a reduction in the price of cotton for the coming season was preferable to changing the price of cotton mid-season. The fear was that if the price of cotton fluctuated freely, farmers would rush to enter cotton farming when prices were high and abandon cotton production recklessly when prices were low.⁷⁰

Forced savings extracted from cultivators had traditionally been justified as a means of insurance collection. However, as in much of Africa by the end of the Second World War, the sums collected had reached a size that made the idea that these funds would be used only for insurance unsupportable. This fact put the state in an awkward position, because it neither wanted to cease collecting surplus funds, nor did it want to return the funds to individual cultivators. One justification for continuously paying below-market prices to cultivators was to spend the saved funds on development.⁷¹ Once the purpose of the fund had shifted from insurance to development, questions about how to develop the region were brought to the fore. The first issue concerned the extent to

⁷⁰ Letter from Governor of Kordofan to Senior Inspector of Agriculture, El Obeid, "Minutes of the 7th Annual Economic Conference Held at Delami, February 24, 1940," March 12 1940. NRO Finance 3-A/42/1/2/.

⁷¹ D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.

which the benefits and costs of development had to be tied together. If the benefits of development and its cost should be conjoined, this led to a second question about whether the contributors to the Fund, and therefore the preferred beneficiaries of its largess, should be thought of as individuals or as communities. The geography of the Nuba Mountains, where agricultural undertakings were relatively spread out, made a solution to the problem of aligning the cost of development together with its beneficiaries a particularly vexing problem.

Some of the ways in which the state's responsibility to individual cultivators was debated is reflected in the writings of John Carmichael, the deputy Financial Secretary. He wrote that, "Each existing cultivator has a stake in these funds. If they are to be used for development then they must be applied to projects which are of direct benefit to all existing cultivators."⁷² Because cultivators lived and worked in a highly dispersed manner across great distances, finance officials believed that it would be impossible to ensure that spending on site specific infrastructure such as clinics, schools or even wells benefited all the farmers who had contributed to it equally. The Finance Department found it difficult to even determine the identity of the "existing cultivators," who had contributed to the Equalization Account. The importance of the concept of the "existing cultivator" was that those who had previously contributed to the Equalization Reserve Account should be the ones to have privileged access to the benefits derived from those funds. One argument was that if there were so many difficulties in the government allocating funds from the reserve account in an equitable manner, cultivators should no

⁷² John Carmichael, comments to Financial Secretary, "Developments in Kordofan," November 29 1949, Economic Development, Nuba Mountains, Delami Conference, NRO Finance 3-A/42/1/2/.

longer be forced to contribute to the Reserve Account. Instead they should be free to spend their own money as they wished. .⁷³ Another idea floated briefly was to allow cultivators to levy their own voluntary taxes on future cotton crops in order to fund development.⁷⁴

Officials working in the administration of the province of Kordofan made a counterargument that instead of despairing about the inability of state to make investments that would meaningfully improve the economic fortunes of the Nuba farmers, the farmers should be encouraged to resettle in the plains. The mountains only permitted the development of dispersed and hard to reach settlements of cultivation, whereas the plains could be developed in a more systematic manner. Money from the Equalization Fund could then be spent on creating an infrastructure for cotton growing throughout southern Kordofan. The infrastructure required for growing cotton included: roads, excavation, water boring and well digging machinery. After the Nuba migrated to the clay plains, they would be encouraged to expand their land holdings using new mechanized techniques.⁷⁵ One reason that the clay plains appeared more attractive as a site of additional investment in infrastructure than the Nuba Mountains was that attempts to create the deep boreholes necessary for drinking water had poor results in the mountains; on the plains the use of mechanical excavators to create hafirs allowed for the relatively inexpensive opening of additional land.⁷⁶

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.

⁷⁶ D.C. Cumming, letter to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.

However, it was not easy to convince Nuba farmers to relocate to the clay plains throughout southern Kordofan. While there was migration, cotton cultivation among the Arab tribes already settled there was not deemed attractive. Therefore, it was perhaps inevitable that after proposals to develop the clay plains were adopted the Governor of Kordofan put forward the idea that revenue from the Cultivators Equalization Fund did not need to be spent only in the villages and towns directly associated with the Nuba Mountains cotton growing schemes. This allowed the Governor to argue that perhaps additional resources should be allocated for development throughout western Sudan, and amongst other disadvantaged populations, not the Nuba alone.⁷⁷ Settling Arab tribes amongst the Nuba meant potentially overturning decades of government policy, which was premised on the idea that the Nuba were backward relations of the Arabs, and as a consequence, that the Nuba needed to be shielded from direct competition with the Arabs.⁷⁸

Subsequently, government officials within the Department of Finance began to question the policy of segregation. They were supported by a 1949 report, which described the Nuba Mountains as “a settled area with administrative, educational and medical services comparable with other rural areas in Sudan.”⁷⁹ Their willingness to abandon the idea of trusteeship and separate development for the Nuba peoples was related to an acknowledgement that young Nuba were leaving their homes to work for

⁷⁷ D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.

⁷⁸ Ibid.

⁷⁹ “Minutes of Nuba Mountains Economic Development Conference at Delami,” January 30 and 31 1950, NRO Finance 3-A/42/1/2/.

wages in cities such as Khartoum.⁸⁰ Another problem was that even as the clay plains were developed, it proved to be extremely difficult to get Nuba to move from their hills into the plains to work the land. Indeed, Arab farmers instead of Nuba farmers owned much of the land under cotton cultivation in the plains.⁸¹ Fading concerns among colonial officials about the ability of the Nuba to compete if put into direct competition with Arabs, justified a relaxation in government regulations about which populations could occupy land that had previously been reserved for the Nuba.

Meanwhile, the Financial Secretary made it explicit that he believed it would be economically advantageous to the country if the Nuba Mountains were to grow as much cotton as possible. The goal was eventually to expand production to upwards of 500,000 kantars of cotton. In 1950, only half that target was being produced. As anxieties about meeting target levels increased, so did calls to expand the development of the clay plains, even if that meant diverting resources from the Nuba Mountains and the Nuba people.

The pressure felt by finance officials in Khartoum, and province-level officials located in El-Obeid, to increase the total amount of cotton that the Anglo-Egyptian Sudan produced each year led them to demand increased productivity from the agricultural schemes. The result was that despite a lingering belief amongst colonial authorities that even crudely defined ethnic groups such as the Nuba or the Arabs possessed different attributes and were therefore differently attuned to market forces, finance officials

⁸⁰ Previous attempts to control the movement of Nuba particularly from the Tira and Nima groups had previously failed during the 1930s. See: Ahmed Alawad Sikainga, *Slaves into Workers: Emancipation and Labor in Colonial Sudan* (Austin, Texas: University of Texas Press, 1996) 123-126.

⁸¹ D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.

increasingly demanded that local officials surrender the legitimacy they derived from their trusteeship of “backwards people,” and allow Arab immigration into Nuba lands, even encouraging them to enter into direct economic competition as cultivators.

The Equatoria Projects Board (Zande Scheme)

In March 1946, the members of the Equatoria Projects Working Committee met for three days at Yambio, a small town and provincial center in what is today western Equatoria, near the border with the Belgian Congo. They met inside a girls’ school of the Church Mission Society. Their task was to assess the potential of what was at the time considered to be the most ambitious development project ever undertaken in southern Sudan: the Zande Scheme. The meeting was remarkable for two reasons. First, it included a wide variety of Sudan’s senior officials concerned with development. Second, as the conversation progressed, government officials drew a stark line between economic development and social welfare. The Director of Agriculture and Forest sat directly across from the Governor of Equatoria, the Deputy Civil Secretary, the Director of Economics and Trade and the assistant Financial Secretary along with the District Commissioner of Zande. These men met in order to clarify whether investment in the Zande Scheme was meant to create a self-contained and self-sufficient economy or if it was meant to contribute to the overall economic growth of the Sudanese territory.⁸²

The immediate question was where to locate the headquarters of the Equatoria Projects Board. Yet that question quickly gave way to new questions about the purpose of the Equatoria Projects Scheme, and the functions that the scheme should fulfill. The

⁸² J. Smith, circular, “Minutes of Provisional Working Committee,” April 1 1946, NRO Fin 3-A/42/2/5/.

different possible locations of the headquarters of the Equatoria Projects Scheme were enmeshed in discussions about the scheme's function. For instance, Lingasi, near the port of Adok, was seen as a site that was particularly well suited for industry. Yambio, on the other hand, was thought of as a site that was close to the regional administrative center, and therefore could be supervised easily, even if exports would be more costly as they would have to be transported over a longer distance. Finally, Anzara, which was where the majority of Azande re-settlement had taken place, was considered to be an ideal place for the cultivation of cotton. Anzara was eventually chosen as the site of the scheme's headquarters. The original plans for the site suggested that it should include spinning and ginning factories, a soap factory and possibly an oil mill. Yet a debate about whether or not the Zande scheme should produce finished textiles or simply export raw cotton persisted. There was also an unresolved debate about the extent to which the project should emphasize cotton mono-cropping or if agricultural diversification should be encouraged. After all, the Zande scheme already contained small experiments with sugar, oil palms, tung, coffee and tobacco.⁸³

By the second day of the conference the battle lines were clearly drawn. The assistant Financial Secretary, Chick, claimed that the idea of setting up spinning and weaving operations was outlandish and economically foolish. At the prices prevailing in 1946, he suggested that the scheme should focus instead on exporting raw cotton. This policy would generate the greatest amount of revenue. By taking this stand, Chick, the representative from the Department of Finance, found himself in direct conflict with

⁸³ For a history of the Zande Scheme from its inception in 1945 until the mid 1950s, see: Conrad C. Reining, *The Zande Scheme* (Evanston, IL: Northwestern University Press, 1966).

Marwood, the Governor of Equatoria, Hancock, the deputy Civil Secretary and Foley, the Director of the Board of Economics and Trade. They argued that the “financial aspect was being stressed too strongly.” For many, the main goal of the project was not financial profit; rather “the whole concept of the scheme was one of social emergence.” Social emergence was a phenomenon that was supposed to combine education, economics and medicine together. The extent to which those interested in the “self-sufficiency” of regions and peoples were opposed to tying the Zande to the international or national commodity market can be seen in the Governor of Equatoria’s comments that without a commitment to process cloth locally he would not support intensive cotton cultivation.⁸⁴

The underlying issue was whether or not the development scheme was intended to develop the Azande people as a self-contained unit or whether the Azande scheme should contribute to the development of a larger unit, such as the territory or even Britain’s imperial system. Dr. John Douglas Tohill, a prominent colonial agricultural expert argued that communities at different stages of economic development must be allowed to progress in isolation. Tohill had his case in a policy note with the title “Social Emergence of Indigenous Races in Remote Areas.” Highlighting the importance of an industrial component to the Zande scheme Tohill argued that the goal of development should be to “make these areas very nearly self-contained and to enable them to market sufficient manufactured products in the 1000 mile coastal belt to enable them to obtain the comparatively small amounts of sterling funds required for financial self-

⁸⁴ J. Smith, circular, “Minutes of Provisional Working Committee.” April 1 1946, NRO Fin 3-A/42/2/5/.

sufficiency.”⁸⁵ Spinning and weaving factories would create clothing for approximately 150,000 Azande, and would allow them to earn a small surplus that would cover the cost of the capital invested in the factories and to pay for the needed imports. His belief was that “this policy would render the community largely immune to the vagaries of world markets.” Much of the Sudan Political Service subscribed to the idea that without protecting particular populations from the market “social emergence” was impossible.⁸⁶

Yet, such a policy cut directly against the interest of officials like Chick and his deputy Carmichael in the Finance Department, who were beginning to see themselves as responsible for formulating both regular and development budgets at the territorial level. The process of budgeting at the territorial level meant that even if they did not have a fully worked out idea of a territorial economy, they were at least beginning to plan and to envision aggregates at the level of the territory. When thinking of combining disparate revenue streams into a single series of aggregates, the idea of focusing on the social emergence of individual groups as opposed to the social and economic development of the territory as a whole began to appear irrational.

Nile Water Traffic

Not all development questions revolved around the management of specific agricultural schemes. Finance officials were also vexed by questions about how to regulate the Sudanese transportation network. Traditionally, senior officers within the civil service believed that the state had an obligation to develop and maintain a

⁸⁵ J. Smith, circular, “Appendix B: Note by Major Wyld on the Necessity of Spinning and Weaving,” April 1 1946, NRO Fin 3-A/42/2/5/.

⁸⁶ Ibid.

transportation infrastructure and ensure that the infrastructure directed development to specific regions.⁸⁷ The core of the Sudanese state's transportation network was the railroad system. Until the 1960s, the capital-intensive nature of creating an alternative to the railroad network prevented the emergence of alternative long-distance transportation systems. Since extensive networks of roads suitable for long-distance travel were absent, the only means of connecting disparate regions of the country, besides the railways, were the various branches of the Nile River and its tributaries.⁸⁸ The Sudan Railways was not merely a railway operator; it also operated other installations vital for transporting people and goods throughout Sudan.⁸⁹ The Sudan Railway's license allowed it to monopolize steamship traffic along the Nile, particularly the stretch from Juba to Khartoum.

⁸⁷ For a discussion of the role of transportation in "colonial economics", see: S. Herbert Frankel, *Capital Investment in Africa: Its Course and Effects* (New York, NY: Oxford University Press, 1938). While Frankel questioned the utility of investing in railroads as the economist participating in Lord Hailey's *African Survey*, he also presents railroads and increased investment in transportation as the best means of spurring economic development in the African interior.

For a discussion of the ways in which the expansion of the Sudan Railways to southern Sudan, particularly the way in which the extension to Wau facilitated death and destruction, see: Ushari Ahmed Mahmud and Suleyman Ali Baldo, *The Dhein Massacre: Slavery in the Sudan* (London, UK: Sudan Relief and Rehabilitation Association, 1987) 16-20.

⁸⁸ With the emergence of increased foreign aid in the late 1950s and the early 1960s, the Sudan railways began to face increased challenges from advocates, particularly in the United States government, who believed that the Sudanese government should shift its allocation of development funds from railways towards the construction of a road network, but that was still in the distant future in the mid-1940s.

⁸⁹ John Carmichael, a deputy within the Finance Department, described the ideal situation from the government's perspective as the railways handling long-distance traffic whether by road, river or rail, particularly for export items; while, private enterprises handled regional and short-distance traffic.

John Carmichael, note, "Individual Bases, Navigation on Southern Reaches by Commercial Firms," August 21 1946, NRO Finance 3-A/25/1/2/.

However, this route also attracted the interest of private operators, who challenged the justification of the Railway's internal waterway shipping monopoly.⁹⁰

By examining the regulation of riverboat traffic in the 1940s, it is possible to identify two debates about the state's role in facilitating economic development. The first debate concerned the extent to which the government should intervene in the market and seek to regulate private economic activities. The second debate concerned whether or not the state should seek to alleviate the inequality between different regions of Sudan. The managers of the Sudan Railways argued that the railway played a key role in that integration. Yet other parts of the bureaucracy challenged the role of the railway's monopoly privileges in subsidizing economic activity in certain regions of Sudan. The railway's managers justified its monopoly privileges as necessary to its larger mission, which was not just to be a profitable state enterprise, but also to extend transportation at reasonable prices to the different regions of the country. Railway managers claimed that the scope of the railway's transportation network, and its differential pricing schemes for the transportation of certain types of products along particular routes, allowed the government to stimulate economic growth in specific regions.

Beginning in 1941, private companies began to request permits to run steamships not only on short-routes between different points in southern Sudan, but also along the 745 miles of the Nile from Juba in Equatoria Province to Khartoum. Mikhail Hajjar, a prominent businessman of Syrian background,⁹¹ submitted a petition in 1941 to develop a

⁹⁰ Minute 195, "Application to Run Private Steamer and Barges on Southern Nile Route," April 22 1941, NRO Finance 3-A/25/1/2/.

⁹¹ For up to date information on the current Hajjar family's business holdings and for some biographical information about the Hajjar family, particularly Mikhail's son George

steamer service between Khartoum and Juba and to dock at Government-sanctioned facilities. Immediately after the conclusion of the Second World War in 1945, the request by Hajjar's firm was followed by similar requests from other concessionary companies—the African Trading Company of Khartoum, the Southern Sudan Trading Company and the Société du Haut Uele et du Nil—operating from the Belgian Congo.⁹²

Initially there were two separate aspects to this controversy. The first issue was the legal question of whether the Nile River was an international waterway on which riverboat traffic could be restricted. The second concern was whether the Sudan Railways' monopoly was indeed in the best interest of the country. The Legal Secretary of the Anglo-Egyptian Sudan quickly ruled that the Government of Sudan did not have the right to block concessionary companies from plying the Nile waters outright because treaty obligations guaranteed freedom of navigation on the river.⁹³

The debate next shifted to the conditions under which commercial firms were permitted to profit from carrying goods along the river. E.C. Chandler, the acting traffic manager of the Sudan Railways, argued that all carriers along the river should be forced to operate as "common carriers," which carried an obligation to transport a full range of goods at published rates broken down according to different classes of goods. In

see: "George Mikhail Hajjar, 1915-1996: Eighty Years of Contribution."
<http://www.haggarholding.com/haggarbook/hhcjpegs/haggarbook1.htm>, accessed February 22 2011.

⁹² D. Newbold, letter to President, Resource Board, April 22 1941, NRO Finance 3-A/25/1/2/; J.R. Shaw, letter to G.R. Foley, December 4 1945, NRO Finance 3-A/25/1/2/; Office of Supply, Khartoum, "Note for the Board of Economics and Trade," August 27 1945, NRO Finance 3-A/25/1/2/; L. Bossaers, letter to Governor, Equatorial Province, December 14, 1945, NRO Finance 3-A/25/1/2/.

⁹³ Minutes, "G.M.S.R. to L.S. re. Competition on the Southern Reaches and Making Suggestions for Regulations," August 19, 1946, NRO Finance 3-A/25/1/2/.

particular, railway officials argued that a highly differentiated system of rates allowed the railway to subsidize the transport of vital commodities to the south without earning a substantial profit, and that any private operator would simply continue to carry the most profitable goods without transporting a vast array of loss-making items.⁹⁴ The implication was that without the continued transport of highly subsidized goods to vast regions of the south, living standards would decline, and already marginal economic activities would be adversely affected. The transportation of commodities like dura, salt and cement were heavily subsidized as imports to southern Sudan, just as many of southern Sudan's exports to northern Sudan were subsidized. Railroad officials claimed that a substantial modification of the rate system would be extremely disadvantageous. They argued that abandoning a differentiated scale would reduce both the amount of revenue earned on high-value goods, goods whose re-sale price would not be substantially affected by changes in the rate charged for transportation and low-valued goods for which the price of transportation would rise. As a consequence these goods might not travel, retarding development.⁹⁵

Amidst the unfolding discussions about the privileges that the Sudan Railways enjoyed, requests for additional privileges from Railway managers only increased. At the same time, the justifications for those privileges began to come under increased scrutiny by the bodies responsible for determining national economic policy, such as the Finance Department and the Board of Economics and Trade. By 1946, there were increased demands by railway officials for extensions of their monopoly rights. These rights were

⁹⁴ E. C. Chandler, letter to General Manager, "Subject: Barges Privately Owned Plying Southern Reaches of Nile in Competition with S. R. Services," August 6 1946, NRO Finance 3-A/25/1/2/.

⁹⁵ Ibid.

envisioned to cover not only the long haul between Khartoum and Juba, but shorter hauls between Juba and Kosti, and by 1949 routes on all of the navigable reaches of the Nile.⁹⁶ Beginning in 1946, the Financial Secretary, Arthur Chick, took this issue up with the Board of Economics and Trade. He framed the issue as a question of whether or not it made sense to continue a monopoly in order to “carry certain goods at uneconomical rates.” There was a general question of whether or not it was desirable to subsidize certain goods coming from and to the south with low freight charges.⁹⁷

There was growing unease within Financial, Legal and Civil Secretariats in Khartoum about the railway’s demands for monopoly, control and inspection in the name of directing economic growth by allowing a state run monopoly to create price incentives for certain types of cargo. The fear among finance officials was that the drive for regulation would eventually prove to be insatiable, potentially ending with the regulation of the transportation of all private cargo.⁹⁸ It was generally acknowledged within senior government circles that the result of the Sudan Railways’ monopoly over cargo coming from southern Sudan was not cheaper goods in Khartoum, but more expensive goods (especially those consumer goods imported from the south). This insight only added to the general unease within the Finance Department about the continuation of these

⁹⁶ S. H. Brookfield, letter to GM, Sudan Railways, September 30 1946, NRO Finance 3-A/25/1/2/; J.G. Mavrogordato, letter to Advocate General to Director of Economics and Trade, “Competition with Sudan Railways River Craft on Southern Reaches,” May 11 1949, NRO Finance 3-A/25/1/2/.

⁹⁷ S. H. Brookfield, letter to GM, Sudan Railways, September 30 1946, NRO Finance 3-A/25/1/2/.

⁹⁸ From J.G. Mavrogordato, letter to Advocate General to Director of Economics and Trade, “Competition with Sudan Railways River Craft on Southern Reaches,” May 11 1949, NRO Finance 3-A/25/1/2/.

privileges.⁹⁹ The prospect of dramatically cheaper consumer goods and lower rates on frequently carried items struck a nerve amongst officials in the Finance Department, who quietly began to argue that less government involvement in river boat traffic might actually stimulate increased economic activity. Paradoxically, even as finance officials began to think of a unified market in which goods could be traded freely, their commitment to ensuring that “underdeveloped” areas of the country received adequate supplies receded as a concern of government policy. The central government gradually became more concerned with increasing the total amount of cotton grown in the Anglo-Egyptian Sudan rather than fostering projects that focused on the self-sufficiency of local areas.

Conclusion to the Three Case Studies

The three cases treated above reveal how finance officials used the new authority granted to them by the planning process to alter the purpose of development projects and to shift economic policy in ways that emphasized the priority of Sudan as an economic unit. Despite the Sudanese government’s drafting of a plan, the objectives of economic development remained muddled. In part this confusion can be attributed to continuing questions about the constituencies that different members of the bureaucracy were responsible to. Officials in southern Sudan and in the other historically closed districts, such as the Nuba Mountains, continued to think of their primary responsibility as the

⁹⁹ “Railroad pricing policies made goods transported north considerably more expensive even without taking into account the possibility of allowing private companies to transport scarce consumer goods like soap or coffee from the Belgian Congo to Khartoum.”

G.F. Foley, Director, Department of Economics and Trade to Civil Secretary, Khartoum, letter, March 12, 1946, NRO Finance 3-A/25/1/2/.

governance of distinct communities rather than the improvement of the Sudanese territory as a whole. In addition, unlike the Department of Irrigation officials, their colleagues from the Department of Agriculture tended to focus on the management of individual schemes. Many of the senior officials within the Department of Agriculture had previously served in other territories within British East Africa. As a consequence, they were committed to the idea that economic policies should be designed to economically and socially uplift specific underprivileged communities.¹⁰⁰ Sudanese railway officials argued that their monopoly over river traffic served to promote development in parts of the country that might not otherwise be reached even though they were very conscious of their role as a revenue-generating department and were anxious to protect their privileged position. At the same time, officials stationed in Khartoum were increasingly anxious to assert their authority to speak on behalf of the Sudanese people as the future fate of Sudan was negotiated between Britain, Egypt and the various nationalist parties within Sudan itself. Senior officials within the Department of Finance strove to exercise their power over the direction of Sudan's economy with a greater degree of autonomy. Consequently, while their policies continued to reflect a commitment to the imperial project, they were sensitive to the need to direct policies in ways that would assert the primacy of the "national" territorial unit as the main object of economic policy.

Conclusion

¹⁰⁰ Helen Tilley, *Africa as a Living Laboratory: Empire, Development and the Problem of Scientific Knowledge* (Chicago, IL: University of Chicago Press, 2011) 115-169; and Joseph Hodge, *Triumph of the Experts: Agrarian Doctrines of Development and the Legacies of British Colonialism* (Athens, OH.: Ohio University Press, 2007).

The practices of economic planning fostered the emergence of a genuine territorial economy. At the end of Second World War, there was a widespread consensus among policy makers that the government had to foster development. The problem was that there were widely divergent views about the unit that needed to be developed and about the role and responsibilities of the state in carrying out development policies. Nonetheless, the period from 1945 to 1951 should be considered the beginning of the development of the Sudan as a territorially defined economy. The effort to create a unified economic plan for the Anglo-Egyptian Sudan meant that development could now be conceived of as a territorial problem. Yet, in the absence of a Sudanese apparatus of economic control and management, the colony of Sudan remained only one of several competing ideas about where to locate development. The competition between imperial, territorial, regional and local ideas of development was clearly visible in the first national economic plan. As Sudan began to move inexorably towards independence, the government in Khartoum increasingly asserted its autonomy from Egypt and Britain and its control over local authorities. These changes allowed finance officials to make the logic of territorial development dominant.

The spatial locus of development was never the only question. Equally relevant was the need for policymakers to define development and how committed those officials were to implementing a program of development. Some policymakers thought that the state's primary responsibility was to control inflation and to ensure price stability. Officials within the Department of Finance wanted to ensure that Sudan's development did not interfere with larger imperial goals by competing for scarce resources and raising prices. These officials wanted to prevent Sudan from suffering from urban unrest, which

was seen as one potential consequence of swiftly rising prices. On the other hand, there were those parties who supported the idea of trusteeship and who thought that development should be local and intensive in order to protect individual groups and address “social issues,” allowing distinct communities to preserve themselves in the face of competition from other communities. Finally, finance officials argued that the whole territory should be developed as a unit. As a result they argued that policies which promoted the fastest increases in economic activity should be prioritized without regard to the effect that those policies had on imperial reconstruction efforts or on underprivileged regional or local interest groups.

The debate over how to increase cotton cultivation in the Nuba Mountains demonstrates the extent to which finance officials’ vision of economic management shifted from an emphasis on concerns about local development and welfare to a prioritizing of development and profitability at the national level. The immediate concern was how to increase the amount of cotton grown in the Nuba Mountains. The obvious answer was to expand cotton cultivation to the clay plains that bordered the mountains. This strategy would ensure that cotton cultivation was increased as rapidly as possible, while still making use of proven technology, such as the digging of *hafirs* on clay to extend the amount of land that could be exploited by settled populations. However, this strategy would not ensure that money spent on development would continue to support the Nuba people allowing for their “social development,” rather than that of their Arab neighbors. The question that emerged was to what extent the Government of Sudan was responsible for the development of distinct communities. Should the government aim for policies that increased economic activity in particular

regions or support national development without regard for the special circumstances of different groups?

The Equatoria Projects Board was at the center of a second debate about the same basic question. Should the Equatoria Projects Board develop projects, such as the Zande Scheme, that would support the creation of a separate “self-sufficient” economy among the Azande people in western Equatoria, or not? A third debate that highlights how planning theory and practices more and more focused on the territory of Sudan as a whole rather than on sub regions centered on the issue of to regulate riverboat traffic on the Nile River. Should the government guarantee that all types of cargo would be transported on the Nile at set prices, or should it allow private operators to set their own prices? Competition would permit some goods to be carried at much lower prices, but might make certain goods needed in the south or other difficult to access places much more expensive or even inaccessible.

As senior officials ensconced in their offices in Khartoum from the period 1946 until 1951 debated these key issues about the spatial locus of economic planning, they increased their power, particularly over the country’s financial and economic matters. One of the distinctive features of the period from 1946 until 1950 was the strengthening of the position of the financial secretariat within the Sudanese government. While development had always been a major concern to the Anglo-Egyptian Sudanese state, it was in the postwar period that the idea of territorial development began to compete vigorously with concepts related to the development of specific schemes or even regional development projects. One manifestation of was that officials within the Finance Department embraced an increasingly centralized logic of the state, which emphasized

the importance of the Anglo-Egyptian Sudan as a single economic unit, even as officials within the Department of Agriculture or those in charge of Boards and Schemes focused on localized development imagined a decentralized state made up of largely autonomous regions and economic units. What it meant to spur development increasingly became an issue of contention. As the decade came to a close, the stakes involved in settling these disputes only increased as a result of rising political pressure to define the political contours of the Sudanese state.

By 1951, Sudanese officials were still struggling to resolve fundamental questions about what the purpose of development was and how much and what type of independence the Sudanese economy should strive to achieve. During the 1940s, finance officials were able to bring about a decisive shift in economic policy, which made thinking of the Anglo-Egyptian Sudan as a territorial whole a priority. Questions about who could participate in the Sudanese economy, and on what terms, as well as how the Sudanese economy should relate to other economies would have to be decided during the first years of the 1950s, under the backdrop of the country's swift move towards independence. The struggle to decide on the terms of participation in the Sudanese economy continued to add to the instability of Sudan well into the 1960s.

However the rush to create an independent economy was only beginning. While officials were hesitant to define an independent economy during the 1950s, by the 1960s, economists and national statistic officials using econometric tools such as national income accounts were quantifying economic exchange. Using new macroeconomic

tools, it was possible to calculate a nation's GDP or per capita income.¹⁰¹ The diffusion of new ideas and economic techniques made it possible for officials on the ground to practice their jobs in new ways. Still, the mere introduction of concepts such as national development planning did not shift the ways in which officials understood the economy; shifts in how the economy was understood had to await the encounter with the practical problems of prioritizing the various projects and schemes included in the five year economic plan.

¹⁰¹ Daniel Speich, "Travelling with the GDP through Early Development Economics' History," in *Working Papers on The Nature of Evidence: How Well Do Facts Travel?* No. 33/2008, London School of Economics, Department of Economic History.