1925

E. AFRICA

UGANDA

81

C.O.
35892
5 AUG 25

From
COLONIAL OFFICE.

Date
5th August 1925.

For Circulation:—
Mr.
Mr.
Mr.
Asst. U.S. of S.

Perm U.S. of S.
Parly U.S. of S.
Secretary of State

THE LABOUR QUESTION IN UGANDA.

Memo dated 17/6/25 prepared by Joint E.A. Board and submitted at Meeting at C.O. 31st July

Previous Paper
33934/25 Uga
C.O. 35848
see C.O. 35891 Ug

MINUTES

(Comes up with Uganda pp. 35848 and from 'See 35890'

They will be kept for reference

6.8.25

Subsequent Paper

THE LABOUR QUESTION IN UGANDA. 17.6.25. 82

Wage labour shortage is very acute, probably even more so than in Kenya and Tanganyika. This is due, however, to a radically different cause or causes. It is easier to say to what causes the Uganda shortage is probably NOT due than to define the actual reason, and to suggest the solution.

Factors alleged to create shortage in the other territories, and which are generally agreed to be NOT the causes of it in Uganda, are, inter alia,

1. Population is adequate.
2. The natives are naturally industrious, and, up to a point, anxious to earn money, and also up to a point they have an appreciation of what money can give them.
3. The tribal system is not referred to by anyone as a deterrent on wage labour in Uganda.
4. Government employment, for railways, public works, police, military, etc., is in much smaller ratio to the population than in T.T. and Kenya.
5. Non-native plantation and industrial employment, and domestic service, is also in far smaller ratio to the population than in adjacent territories.

In Kenya about 65% of the aggregate labour at any one time in wage service is in employ of farmers and planters, the balance being spread over (a) domestic service (b) industry (c) railways and public works (d) military police and prisons, and the total average in employ over the year is reported to be about 27% of the available total number of labour age. If the average service be about 6 months this works out at over 50% of the total Kenya labour population being in wage service each year. In Uganda not more than 10 to 15% are in Government or non native wage service over the year.

The difficulty of obtaining wage labour, alike for Government purposes and for non-native employ, did not begin with the spread of cotton growing, but was almost as great before that development.

If we may disregard, or at any rate regard on an average basis, the temperamental differences between tribe and tribe, and between Nilotic and Bantu, in the Protectorate, the basic fact appears to be that natives of Uganda have almost too much of an "economic sense". They seem to have certain standards of economic wants, generally on the increase, it is true, but lagging some way behind their economic opportunity for earning money to satisfy the wants. When they have a very profitable cotton crop, as this year, they do not, per head, want to spend very much more money than they did in the preceding year of smaller income. The cotton growing natives, who form almost 100% of the population of the established cotton districts, have thus no desire to supplement their cotton earnings by wage labour for even part of the year.

The average annual cotton earnings of a peasant cotton growing family are now £5 to £7. The buying of bicycles at £10 to £12 apiece, of which so much is said, and even more the buying of motor cycles and cars, does not reflect this peasantry, and too much can be made of these special purchases as pointing to the economic progress of the natives and as bearing on their disinclination to take even short period wage labour. Uganda families are small in all Provinces, there are probably 800,000 families, of which 500,000 families live in cotton districts. The special luxury (high priced) purchases in a year are made by less than 20,000 families. These are mainly chiefs, sub-chiefs, village headmen, and owners of mailo land who employ wage labour on their own estates. The really important point is the spending, or rather the acquisitive, average of the 480,000 families of true peasantry with their average of £5 to £7 income per family. Bicycles, sewing machines and such like are a long way off their map. The problem is to raise the wants of this ordinary peasantry by an average of say £1 or £2 per annum, and to lead them on "appetite increasing with the eating". Then the time may come when they will find that they must supplement cotton revenue by wage service - at any rate for short periods in their own locality.

Textile wants increase, but here also the main progress is among the specially circumstanced natives. Tobacco and Matches, tea and sugar, rice and salt, show in gradually increasing demands. Probably the first two, tobacco and matches, would be much more in demand than they are now if the customs duties had not been so violently increased in 1921, - tobacco from 10% to about 90% on the value, and matches 10% to the equivalent of over 120% on value. The native likes to get a quantity for his money. This action set back demand and checked the tendency to spend money. The duties on sugar and rice were trebled, with similar result.

The Parliamentary Commission report comments (page 140) as to whether banana diet is satisfactory, and says that in former days it was supplemented by Lake fish. There was, up to 1914, a very decided tendency to spend more and more money on imported rice. This tendency has been checked, if not choked, by the high world prices of 1915/1920 and the high customs and railage since 1921, imposed with the idea of stimulating local rice growing. It was perhaps overlooked that local rice (paddy) can be, and is, used for making local alcoholic liquor, and that this is the actual result. Drunkenness has increased, but money spending and the desire to work for more money is not increased. Imported rice can only be used for food, and if purchasable at prices the natives will pay, it increases their desire to earn money. The spending tendency on local fish, referred to in the Report as a feature of "former days" is more in evidence in 1923/4/5 than even in the most fish-eating prewar times, and has a marked effect on the desire to earn money and spend money in certain districts.

The writer of this memorandum believes that if say £50,000 of the Uganda Government revenue (to be derived say from cotton tax revenue, or by increase of hut and poll tax and from the special tax in lieu of Kasanvu obligation) could be applied to reduce customs import duties on imported rice, matches, tobacco, and tea, to cheapen the rail rate on salt, and to put Lake fishing nets on the duty free import list, a great step forward would be taken to increase the buying desires, and thus the readiness to take wage service, in Uganda. The difficulty is how to do this without danger of the reduced duty goods being smuggled out into Kenya and Tanganyika. Rice and Salt, however, could not stand the transport costs of re-export, and fishing nets might well be made duty free in all the territories. Matches are traded in by the carton of 50 gross, and each carton admitted to Uganda on duty preference could be specially defaced. The smuggling out of single boxes of matches would be trivial.

The foregoing paras. deal with what, in the writer's belief, goes to the root of the matter, viz: the spending desire of the average peasant family, and if this can be increased by £1 per family per annum over the next few years, there would perforce be a large application to take short period wage employment. This tendency will probably be aided by the gradual fall in world's cotton prices.

Whatever may happen to cotton prices, the essential thing, in the wage labour problem, is that greater wants, i.e. spending tendency, be facilitated, especially in articles which are within reach of the peasant's pocket, and in the buying of which "quantity for money" is a feature.

The assumption underlying official policy in tropical Africa is that plantations, industries, and Government employments will offer wage rates economically competitive with the opportunity that the peasant has to earn money in any other way open to him. Facing the temperamental factor, wage rates must be generally higher than the income a peasant can earn for himself on his own land, - the exception being in the periods of the year when the peasant's land does not need his continuous presence, and when, if his wants impel him to supplement his garden income, he will do so by taking wage employ at some pay rate that will give him his extra income.

86

Taking the wage labour force requirement of Uganda under three heads:-

Government. Public works, railways etc. For some time to come these can probably be met by drafting in a labour force officially recruited from outlying districts (West Nile etc.) where economic crop production will not bulk largely for several years.

Industries. Differing from Kenya and Tanganyika, where plantation and farm labour needs rank second to State needs, the curious situation in Uganda is that industrial labour needs are not only a reflex, but are absolutely interdependent with the progress of native agricultural production. The 164 cotton ginneries, with their buying, transport etc. work, require an average of 80 employees per ginnery for about 8 months each year, or say 12,000 wagesnatives. About 20% of these must be more or less experienced. The rest, say 9000/10,000 can work for 2 to 3 months at most and be replaced by others without serious drawback to the work. As rapid ginning and handling of cotton is essential to the marketting, any foreseeable shortage of ginnery labour causes serious reduction in the prices that can be paid to the cotton growing natives. Seeing that free seed, free agricultural advice, and strong measures to protect native cotton growers in every way, and to ensure them fullest world prices, are rightly a State care, it would be logical if the supply of labour for ginning and/or evacuation of the cotton were to be made as much a public duty as is labour for roads on which to move the produce. Included in this is the labour needs under Government working for handling cotton on lake wharves and railway premises. All this is truly a service by natives for natives.

Plantations. These do not bulk largely in the economic life of Uganda, but up to a point they have had Government encouragement in the mere fact of making the lands available. The plantations are owned and worked by public spirited men, and are, in nearly all cases, valuable educational centres. They deserve all the aid and support that Government can give, though there is probably a good deal to be said against any considerable extension of such enterprises in Uganda. In any case such extensions would be highly speculative in view of general tendencies. The plantations are in three main groups viz:

Toro - climatically suitable. Present writer's information from the leading planter there is that he finds no labour difficulty.

Bunyoro (Hoima etc.) also climatically suitable and labour difficulty not acute, although less easy to get and more costly than Toro. Here the matter of economic competition on wage rates begins to emerge.

Buganda - mainly in Chagwe county and some in Bulemwezi. Here the economic and temperamental factors are in full play, and being surrounded by districts in which large freehold native estates (Milo properties) are owned and worked, the position is serious for the planters. It seems to depend on the goodwill of the local Government in perhaps making available, or even facilitating, some measure of supply ex Toro and West Nile, after meeing Government and industrial needs, from the totals obtainable from those far away districts. This might help for some years, and if the theory put forward earlier in this memo is realised, viz: that gradually increasing wants of the peasantry will cause them to seek short time wage service in their locality, to supplement their cotton revenue, the situation may become saved for those Plantations. It is nevertheless precarious and always will be, in the writer's opinion

It might be added that a settlement of the Butaka question, as affecting Buganda Province, may have some satisfactory, if temporary, effect on the Plantation labour supply in that Province. An early settlement of that question is much needed from every point of view.

LONDON.

June 17th. 1925. (Sgd) HUMPHREY LEGGETT.