In a break with previous policy, the Colonial Office announced in 1943 that it would promote industrial development in Britain’s colonies. Manufacturing ventures were now deemed essential to raise living standards and address the politically dangerous issue of colonial unemployment. Officials became occupied with the question of what constituted acceptable modes of intervention by metropolitan and colonial governments to facilitate economic diversification. The challenge was to reconcile the need for demonstration of a more constructive approach to development with some long-standing laissez-faire principles. Two wider political issues made Colonial Office attempts to persuade the Caribbean colonies to follow its preferred routes to industrialisation difficult, however. The increasing political autonomy of governments in the Caribbean region meant that Britain could not merely instruct its West Indian possessions to follow its edicts. In addition, it became clear that in the post-war world, the US hoped to shape development across the Caribbean along lines that it found conducive to its own interests. In the face of these challenges, the collation and dissemination of economic advice assumed an important role in the maintenance of Britain’s control over its British West Indian colonies after 1940.

After 1944 Britain was involved in direct negotiations with the US about region-wide policies for the West Indies as a member of the Caribbean Commission. Despite the ostensible collaboration represented by this body, discussions between officials reveal substantial and entrenched differences in British and American visions for the industrial development of the Caribbean. These differences proved difficult to reconcile, informed as they were by the wider economic and political priorities of Britain and America in the post-war world. From the perspective of the British government, the actions of the Caribbean
Commission, the creation of Truman’s Point Four Programme and the UN system held out the prospect that in the post-war period the process of decolonisation would be one in which power and influence in the region moved out of British, Dutch and French hands into the hands of the US through the activities of its advisors and businessmen.

The fact that more than one path towards industrial development was promoted to the territories of the Caribbean during the 1940s and early 1950s is important in helping us rethink the picture of development we have for the period after 1945. No single coherent post-war development paradigm shaped the thinking of experts and officials from Britain and the US when it came to ways to encourage manufacturing in the region. The visions that were promoted pre-dated the advent of modernisation theory and W. Arthur Lewis’s landmark work on economic development. American and British officials drew upon a range of historical events and contemporary experiences, consulted economists and businessmen, and carried out surveys, in order to formulate and legitimise their preferences. The 1940s and early 1950s were a time when ideas about industrial development were being worked out and the Caribbean was a laboratory for the emergence of proposals for the stimulation of economic diversification in nations that had previously been dominated by the production of primary goods.

**Plans for industrial development in Britain’s colonies**

Expert advisors assumed a great deal of importance in the formulation of British colonial policy after 1940. The Colonial Office had seen the appointment of increasing numbers of specialist officers and committees in the interwar years, but their recommendations did not necessarily amount to significant metropolitan interference in colonial affairs, not least as advice was not matched by large amounts of funding for initiatives. With the passing of the 1940 CDW Act, officials set about creating new bodies in London that would assume a greater role in the production of development plans for Britain’s colonies. Sydney Caine, Assistant Under-Secretary and Head of the Economics Division in April 1944, advocated a more active approach by London to getting projects off the ground so as to halt the drift in policies of colonial governments that had occurred in the interwar period. Experts in scientific research and economics at the Colonial Office were charged with creating new and effective interventions in the field of development.

The Colonial Office began discussion about colonial industry with the turn to consideration of post-war reconstruction in 1943. Debate about industrialisation was inaugurated by a speech in the House of
Commons in July 1943 by the Secretary of State for the Colonies, Oliver Stanley, in which he declared that the colonies would never reach a reasonable standard of development without some degree of industrialisation. Stanley urged caution, however, with regard to the scale of this change and the methods to manage industrial development. The use of tariffs against imported goods in order to protect fledgling industry was singled out for special condemnation. Stanley stated in his speech, ‘I cannot think of anything more fatal to the economics of the Colonies than a rash, mushroom, industrialist growth, fostered by high protective tariffs unrelated to either local products or local markets.’

L. J. Butler says that in the period before 1940, the Colonial Office was not opposed to industrialisation per se but had firm objections to tariffs on the basis that they raised prices for colonial consumers, reduced colonial government revenue from imports and could adversely affect British manufacturers. In 1934 an interdepartmental committee considering colonial industrialisation had rejected government intervention to stimulate industrial activity, stating, ‘there is no reason at all why a conscious policy of artificial encouragement of industry should be undertaken and pursued’. While continuing to reject certain ‘artificial’ measures to encourage industry, the speech by Stanley in 1943 marked a shift in policy. Stanley’s call for a more assertive approach to developing industry was prompted by the crisis in the British Empire in the 1930s. The Great Depression had shown that too many of Britain’s colonies were dependent on a narrow range of agricultural exports, making them highly vulnerable to the fluctuations of the world market. The encouragement of colonial industry was a way to solve the issues of unemployment and low living standards. In further contrast to the recommendations of the interwar period, Stanley claimed that the new policy for industrialisation would not prioritise the interests of British manufacturers. New colonial industry could focus on producing simple cheap goods such as soap and textiles whilst British firms would be engaged in more skilled forms of manufacturing. The development of colonial industry producing simple products would benefit British manufacturers as higher-value goods from Britain would find a market in the colonies amongst colonial consumers who had acquired greater purchasing power as their own economies developed. Stanley’s final point in his speech concerned the respective roles of government and private capital in the establishment of industry. He told Parliament that the new 1940 CDW Act would address the need to provide a suitable background for industrialisation by funding the development of infrastructure, services and social improvement.
Stanley left open the question of how exactly the Colonial Office in London and colonial governments were to encourage the industrial development he envisaged. The issue was put before the Colonial Economic Advisory Committee (CEAC) that had been created in September 1943 to provide expert advice on economic aspects of development. CEAC included amongst its high-powered members the eminent economists Hubert Henderson and Lionel Robbins, who were economic advisor to the Treasury and Director of the Economic Section of the War Cabinet, respectively.\(^8\) Two other economists, both from the London School of Economics (LSE), were also appointed: the socialist and Labour Party member Evan Durbin and the St Lucian scholar W. Arthur Lewis, who took on the role of Secretary. Lewis had joined the faculty of LSE in 1938 while finishing his PhD and combined his teaching responsibilities with a number of ad hoc roles at the Colonial Office during the 1940s, for which he produced a large number of reports and memoranda that often prefigured his later work in development economics. During the lifetime of CEAC, Robbins and Henderson did not attend many meetings and debate was often driven by the contributions of Durbin and Lewis. The early meetings of CEAC were dominated by the question of colonial industrialisation, with clear points of contention emerging early on, particularly when it came to the views of Durbin and Sydney Caine.

Caine has been identified by historians as a figurehead for the new way of doing things at the Colonial Office that emerged with the passing of the 1940 CDW Act.\(^9\) Caine’s belief was that poor economic performance and inadequate levels of social provision in the colonies could be addressed by the introduction of a degree of planning, but the absence of men with specialist skills in the colonies, including qualified economists, presented an obstacle. The solution was to place the responsibility for the creation of plans in the hands of metropolitan bodies that had the necessary expertise. In a well-known memorandum of 1943, Caine singled out the CRC as an example of a body that took the initiative and formulated projects of colonial research itself: ‘the Committee has with great emphasis repudiated the idea of confining itself to the merely negative or censorial function of passing judgement on schemes devised by other people and submitted to it’.\(^10\) As with scientific research, the appointment of a metropolitan committee of eminent economists in the form of CEAC was an attempt to provide direction in another area where colonial governments were said to have few skills and little experience. In the words of CEAC,

The Committee can say only that, if the pace of economic development is to be adequate, some means must be found of imparting to local or
regional planning authorities from the centre those larger directives which they are unaccustomed to formulating of themselves.\textsuperscript{11}

Despite his desire to see a faster pace of change in the colonies and his enthusiasm for greater interventions by well-qualified bodies in London, Caine was not an advocate of a high degree of government control over the process of industrial development. Indeed, although a great deal of talk about planning can be discerned in the files of the Colonial Office around 1943 when officials took up the question of post-war reconstruction, the sort of planning that was envisaged was not explicitly articulated. The debate about industrialisation in the colonies reveals much about the limited definition of Colonial Office planning in practice. While Caine urged his colleagues to take a more active approach to formulating and implementing policy for the colonies than the Colonial Office had traditionally done, he was arguing for a rejection of absolute laissez-faire approaches. He was not advocating that in future, government would control industries or oversee the allocation of resources and manpower. Planning for Caine was only ever ‘outline’ planning.\textsuperscript{12} In contrast, Durbin and Lewis were keen to see the Colonial Office and colonial governments assume a much bigger role to intervene and force rapid industrialisation in selected areas of the Colonial Empire. Since this was a proposal at odds with the course favoured by Caine, CEAC struggled to reach consensus and formulate a report that could be considered as the basis of advice from the Secretary of State to the Colonies. Meanwhile, a conference was held in the Caribbean at which the issue of industrialisation figured prominently.

\textit{Britain and the Anglo-American Caribbean Commission, 1942–45}

Between 21 and 30 March 1944 the first West Indian Conference of the Anglo-American Caribbean Commission was held in Barbados. The Caribbean Commission had been established in March 1942 as a joint enterprise between the US and Britain, but its origin lay in proposals by the US government. In its first incarnation the Caribbean Commission was co-chaired by Frank Stockdale, who was Comptroller of Development and Welfare in the British West Indies, and Charles W. Taussig of the US State Department. Taussig was close to Roosevelt and had been one of the original members of the President’s ‘brains trust’, a circle of advisors that worked on the New Deal. He was a businessman as well as a political advisor and had first-hand experience of the Caribbean as President of the American Molasses Company.\textsuperscript{13}
In 1941 the US signed a 99-year lease with Britain that allowed US military bases to be established in six British colonies, including Trinidad. The stationing of American soldiers in the British Caribbean was only a part of the US strategy for the security of its ‘backyard’. The US also wished to see programmes of social, economic and political reform introduced in the Caribbean in order to alleviate the poverty that was considered to fuel social unrest and spread communism. The US had two possessions in the region: Puerto Rico and the Virgin Islands. Puerto Rico, acquired by America in 1898, had achieved notoriety by the interwar period for its deplorable living standards. The slums, unemployment and overdependence on the sugar industry seemed intractable problems before the war despite a number of initiatives by American governors of the island. In the early 1940s, a further extension of the New Deal to Puerto Rico was deemed necessary demonstration of enlightened American attitudes towards colonial governance. Beyond Puerto Rico, American-led improvements in the social and economic conditions of the colonial peoples of the entire Caribbean region were considered necessary to prevent uprising amongst the poor and unemployed. There was particular concern about the consequences for regional stability of continued unrest in Britain’s larger colonies. Historians have noted the role played by the Caribbean Commission in hastening political reform in Jamaica, where a new constitution that provided universal suffrage was introduced in 1944 after pressure on Britain from Taussig and other US officials. The US government declared its commitment to ensuring that self-government was brought to all dependent peoples. Apart from the need to avoid riots in an area of importance during the war, US officials were concerned by the contacts that had developed between the black populations of the Caribbean area and African Americans at home. The emergence of the Harlem nexus meant that protest in one place could fuel discontent in the other. Officials therefore linked a pressing need for economic, political and social reform in the Caribbean area to the domestic security of the US.

In 1941 Taussig had been given permission by Britain to undertake a general survey of the British West Indies, and the resulting report was sent to the British government. In return the US received a copy of the unpublished Moyne Report, and this resulted in the suggestion by Taussig that since many similarities existed between the problems of Puerto Rico and the British West Indian colonies, Britain and the US should form a joint commission to formulate ideas that could solve common problems. The Anglo-American Caribbean Commission was subsequently created with the expressed aim that it was a body formed to undertake studies and make recommendations that addressed the...
problems of ‘labor, agriculture, housing, health, education, social welfare, finance, economics and related subjects’. In 1946 the name of the Commission was changed to the Caribbean Commission as France and the Netherlands joined the body. The Caribbean Commission created four sections for its work, including the Caribbean Research Council formed in 1943 to collate data of use to governments of the region and which published the Caribbean Economic Review. The future president of Trinidad, Eric Williams, was appointed secretary to this body in 1943 as a member of the British Section.

The agenda of the first West Indian Conference convened by the Caribbean Commission in 1944 included industrial development. Delegates debated the issue of whether or not governments should provide capital for industry if private sources were not forthcoming; whether government should finance research; and whether tariffs, import duty relief and income tax relief were appropriate techniques to encourage new industry.\(^{20}\) The US Section submitted papers that promoted the programme for industrial development that had recently begun in Puerto Rico. These included a copy of a speech by Rexford Tugwell, the Governor of Puerto Rico, given in February 1942. Tugwell was an academic economist, a friend of Taussig and another original member of Roosevelt’s ‘brains trust’ whose outspoken commitment to the New Deal had earned him the name ‘Red Rex’ in Washington.\(^{21}\) Tugwell’s speech celebrated the achievements of the public Puerto Rico Development Company, usually referred to as either PRIDCO or Fomento. From 1942, PRIDCO had received an allocation of half a million US dollars each year from the Puerto Rico government for the establishment of new industry,\(^{22}\) and a subsequent act created the Puerto Rico Development Bank that used public funds to issue loans to business.\(^{23}\) The finance for these initiatives came from a rebate on rum import taxes paid to the colony by the US government that proved to be a substantial sum during the war when consumption of rum increased significantly as other spirits were in short supply.

The new development agency and bank in Puerto Rico and the programme for industrialisation that they administered and funded were the creation of Teodoro Moscoso. Moscoso was born in Spain to a Puerto Rican father and had been educated in New York and Puerto Rico before studying at the University of Michigan. On return to Puerto Rico in 1932, Moscoso had become involved in running a housing programme that cleared slums and built new houses for poor residents in the city of Ponce. A meeting with Luis Munoz Marin, who was elected President of the Senate in 1940 as leader of the Popular Democratic Party, was a major turning point for Moscoso, prompting him to join Munoz’s party. In 1941 he took up a position as an aide to
Tugwell, and in the position of coordinator for insular affairs Moscoso created and directed an industrialisation programme for Puerto Rico. According to his biographer, Moscoso’s ideas emerged after study of a number of foreign industrialisation programmes and discussions with individuals who had been engaged in formulating economic plans for Puerto Rico in the 1920s and 1930s. In 1942 Moscoso consulted the US chemical and engineering firm Arthur D. Little about his proposals and with the endorsement of the firm created PRIDCO. PRIDCO began by taking over a cement works and running it as a government factory before creating a glass works and a cardboard box plant, both industries related to the rum industry.24

The creation of glass and cardboard box factories meant overcoming the refusal of the War Production Board (WPB) in Washington to give a permit that would allow the importation of machinery to Puerto Rico. The situation was resolved after the intervention of the unlikely figure of Senator Robert Taft, known for his hostility to the New Deal and to Tugwell in particular. Taft’s comments in a letter he wrote for the WPB are revealing for what they tell us about the exception that was being made for Puerto Rico when it came to the implementation of a state-controlled industrialisation programme, ‘I have never been very strong for government-supported industry, but the situation in Puerto Rico is such that I believe the government had a proper function in promoting the development of new industry.’ The well-publicised deprivation that existed in Puerto Rico was such a threat to US prestige that what was ‘unacceptable socialism’ for America was tolerable for Puerto Rico.25 In April 1943 the WPB approved the construction of the glass plant and work began the same year.26 During its early years the plant was beset with problems – machinery was stolen, the plant was badly designed, too many bottles were rejected as substandard and there were labour disputes. Similarly, the cardboard plant opened late as machinery was defective and businesses that had agreed to supply waste paper to the plant boycotted it.27 Problems also arose with the next two government factories for shoes and ceramics.

Despite the bad publicity that was generated by the first initiatives of PRIDCO, details of the Puerto Rican programme were set out for the delegates of the West Indian Conference of 1944 and the Caribbean Commission promoted ‘Operation Bootstrap’, as it became known, as a model for Caribbean industrialisation throughout the 1940s and 1950s. The US had previously promoted its colony as a model of political reform, announcing in 1942 that plans were under way to allow the role of Governor to be an elected seat.28 Political reform and radical economic policies to improve the lives of Puerto Ricans were essential if the US was to refute claims that in reality it was just another colonial
power with no moral authority to pressurise Britain, for example, to commit to greater progress towards giving its colonial subjects the right to self-determination.

In response to the information on PRIDCO circulated in 1944 there were discussions at the Colonial Office on the question of whether or not similar development corporations were needed to provide expertise and maybe even capital for new industry for the British colonies. In the summer of 1944, Simonsen and Robinson of the CPRC visited Puerto Rico as part of a trip to the Caribbean and saw for themselves some of the initiatives undertaken as part of the industrialisation programme. The subsequent discussions made a contribution to the decision to create the Colonial Development Corporation in 1948, to provide capital and participate in the running of agricultural and industrial projects, although by this point the priority was less the need for economic diversification in the Colonial Empire and more the urgent necessity of resolving Britain’s economic crisis by earning dollars though the increased production of primary products. Overall, the initiatives undertaken by Puerto Rico in the first half of the 1940s in terms of government development corporations, development banks and government-run factories were not endorsed by the Colonial Office as a model for industrial development for the British Colonies of the Caribbean. There was nothing the Colonial Office could do, however, to stop the Puerto Rican example continuing to be promoted within the Caribbean.

In the immediate wake of the first West Indian Conference of 1944, British officials were most preoccupied with the recommendation made by the Industrial Research Section of the Caribbean Research Council that this body should receive all plans for industrial development formulated in the region. This suggestion by the US Section was an attempt to create a central committee that coordinated industrial policy across both the British and American territories of the Caribbean. Whilst exemplifying the core function of the Caribbean Commission as the US saw it, namely that it was a body to produce Caribbean-wide policy, this recommendation was the first of many to cause alarm at the Colonial Office. Britain had agreed to the formation of a joint commission for the Caribbean as it provided an opportunity to get British West Indian issues a higher profile in Washington and address some pressing wartime problems such as the shortages of food that were causing distress in the British colonies. In private, officials in London were dismissive of the value of the work of the Caribbean Commission and its Caribbean Research Council, referring to ‘the so-called Industrial Research Sub-Committee of the Caribbean Research Council’ and commenting that ‘none of the local peoples had two
ideas to rub together’, seemingly a reference to representatives from the Caribbean colonies such as Moscoso, who had been appointed to the Caribbean Research Council on the invitation of the US. The Caribbean Commission generated anxiety amongst British officials and experts, however, even if the quality of its ideas were derided, as the US Section appeared intent on expanding the powers of the body and thereby extending the influence of the US in the region. The Colonial Office was keen to ensure that the role of the Commission was confined to providing information, not policy. The suggestion at the conference that plans formulated in British territories should be routinely sent to the Industrial Research Sub-Committee of the Commission was firmly rejected by the Colonial Office for fear this would sideline the Colonial Development and Welfare Organisation based in Barbados (CDW Org) that had been created with the passing of the 1940 CDW Act. The role of the CDW Org was to provide expert advice to governments of the British West Indies as they formulated their plans for development. Oliver Stanley directed that copies of all industrial plans were to be sent to Frank Stockdale, who was Comptroller for Colonial Development and Welfare at the CDW Org, and Stockdale would decide what information should then be communicated to the Caribbean Commission, ensuring that the authority of the British government was maintained over that of the new Anglo-American Commission.

CEAC and the development of manufacturing industries

In the months after the West Indian Conference, Stockdale found himself in the embarrassing position of having no Colonial Office guidance on industrial development to offer the governments of the British Caribbean. In a circular for the British West Indian Territories of May 1944 he explained that the matter was before CEAC at the Colonial Office and he was awaiting their report. Stockdale wrote a letter to Oliver Stanley in which he made it clear that a statement from the Secretary of State on general policy with regard to industrial development for the British Caribbean colonies was needed urgently.

As you are aware, there is an insistent demand for industrial development in the Caribbean at the present time. It is of the greatest importance that such development should be properly planned and controlled and I hope that you will be able to make an early statement on the general policy to be followed in order that the West Indian Governments may proceed without delay to take such action as may be considered necessary.
In London, CEAC was engaged in heated discussion about the development of secondary industry, prompted by the circulation of a memorandum written by Lewis. Lewis had made a number of recommendations, including the need for agricultural development to occur alongside industrial development in order to release labour for work in secondary industry and the need for industry to develop on a regional basis. Most controversially, from the perspective of the Colonial Office, Lewis rejected the idea of the gradual evolution of industry, recommending instead a ‘sudden jump’. This suggestion prompted fierce debate at meetings of the committee, with Lewis and Durbin on one side, and Caine, Sir Bernard Bourdillon (former Governor of Nigeria and a director of Barclays Bank) and the Chair of CEAC Sir Harold Howitt (of the accountancy firm Peat Marwick, Mitchell and Company) on the other. The issues that divided the committee were the pace of change that was desirable, the idea of centres of mutually supporting industrial development and the degree of government intervention that was necessary. Lewis and Durbin supported a thoroughgoing programme of rapid change for Britain’s colonies which the Colonial Office deemed unacceptable.

Of the economists on CEAC, Evan Durbin was the most vociferous supporter of the idea of rapid industrialisation. Durbin recommended that efforts should be concentrated on specially chosen areas of the British Colonial Empire, such as Nigeria, with the aim, ‘to modernize it swiftly by deploying large economic resources for the region – after the TVA model or the alleged achievements of the USSR in its “colonial territories”’. This proposal was firmly rejected by Caine, Bourdillon and Howitt, and instead Caine called for the rejection of the, ‘“revolutionary” industrialization of selected territories’, in favour of ‘evolutionary development of a variety of industries in a large number of dependencies’. The idea of the gradual evolution of industry indicated that much of the initiative for the emergence of new manufacturing would lie with business rather than government. This was a vision of industrialisation in which, on the whole, manufacturing enterprises would find a footing only where market conditions allowed. The main role of governments was to provide public services and technical education and fund useful scientific research. Caine did concede, however, that it might be wise to provide special concessions to attract new industries in the short term, and in some cases he raised the possibility of provision of government capital to help establish a factory where private capital was absent.

Durbin’s response was angry and he accused the Colonial Office of sticking to its traditional policy of inactivity when it came to the
development of colonial manufacturing. The Colonial Office was effectively saying, according to Durbin:

We believe that nothing can be done except to improve and expedite [without giving any estimate of the practicable increase of speed] our traditional policy. It is true that these policies have produced very little industrial development in most of the territories for which we are responsible during a period in which immense changes have taken place in other parts of the world, but we nevertheless think that this is the best that we can do.41

Durbin and Lewis continued to press for government intervention to spur rapid economic development, arguing that this should be the main aim of development policy, not least as it would ease the financial burden on the British government if the colonies became self-supporting in terms of social services. They claimed that a slow pace of a change for the colonies placed the Colonial Office out of step with public opinion in Britain. Most importantly of all, Durbin and Lewis accused Britain of failing to recognise the aspirations of colonial peoples since the so-called evolutionary approach to economic change favoured by officials would only retard the moment when self-government would be attained.42 In an attempt to promote their cause, the two economists made a direct appeal in October 1944 to Oliver Stanley, asking for his endorsement of the concentration of rapid industrialisation in a few key areas, only to have this rejected.43

Lewis’s last attempt to make a case to CEAC for the development of centres of industrialisation in the empire was a memorandum prepared with F. V. Meyer. ‘The Analysis of Secondary Industries’ stated that focused points of industrial development were the most efficient way to spend development money and most likely to provide an environment in which new factories might flourish. This document was notable for attacking a basic Colonial Office principle when it came to the question of industrial development. Meyer and Lewis stated that judgements at the Colonial Office on the desirability of establishing an industry were usually predicated on one question: will it be profitable? Whilst judging a new industrial concern on its individual merit might be reasonable in the case of the UK and US, Lewis and Meyer made the point that this could not be done in the colonies. In the colonial case, the cultivation of a whole industrial sector needed to be considered, as the profitability of one firm could change a great deal with a changing wider industrial context. They recommended that government focus on encouraging the setting up of trading estates where a group of industries could be encouraged to their mutual advantage. Lewis and Meyer’s report therefore provided another iteration of the idea that
industrial development needed to be actively encouraged in selected places.\textsuperscript{44}

Lewis resigned from CEAC in November 1944, criticising Caine for rejecting the need for some government action to facilitate economic development. According to Lewis, Caine had given the examples of 'Britain and the USA as countries which developed rapidly without government prodding'.\textsuperscript{45} Lewis described himself as astonished by this assertion since the situation in the colonies, which had little in the way of capital and entrepreneurs, was not comparable with Britain in the eighteenth century. For Lewis, industrial development would not naturally or spontaneously occur in the colonies; the economic development of these places required government planning. Caine in turn claimed that the breakdown in relations between CEAC and the Colonial Office was the fault of members who had overstepped the limits of the committee's original remit and considered political issues rather than restricting themselves to economic ones. In fact, it seems the problem was that Durbin and Lewis advocated policies that amounted to a direct attack on the laissez-faire principles that still underpinned the thinking of the Economics Department despite a new rhetoric of centralisation and planned development. In 1946 the committee was disbanded and replaced with a Colonial Economic and Development Council.\textsuperscript{46}

The anticipated CEAC memorandum on industrial development was finally circulated to the colonies in February 1945. Despite the urging of Lewis and Durbin that the Colonial Office seize the opportunity for planned, intensive and rapid industrialisation of key areas of the Colonial Empire, this final document reflected the views of Caine. In his introductory letter to the circular Stanley stated 'No attempt has been made to suggest any very rapid or revolutionary changes', instead the memorandum outlined the 'steps which are open to Colonial Governments without such revolutionary change and which are likely to be acceptable as matters of general policy'.\textsuperscript{47} The memorandum itself began with the statement that industrialisation was to be encouraged but that it would be wrong to offer state assistance that encouraged the 'artificial' development of industries that could not be economic in the long term. Industries that were permanently dependent on tariff protection or import restriction would not benefit the colonies; new industry should only be encouraged in the expectation that one day it could successfully compete with those of the more developed countries. Caine's memorandum gave a role to government in the removal of obstacles that might hinder industrial growth. The barriers to industrialisation that government needed to help surmount included a shortage of skilled workers and managers,
the absence of basic services, or the provision of information through research. Government might also provide inducements to business such as duty-free imports of machinery. If there was clear expectation that a business would be profitable in the longer term then subsidies and protection in the short term could be acceptable. The report reminded the reader, however, that the most common form of protection, tariffs, had the effect of raising prices for the colonial consumer. The cost of using tariffs to help new industry ultimately fell upon ‘those least able to bear it and whose standard of living it is the ostensible object of policy to improve’. The report left much to the discretion of colonial governments in determining the exact approach they would follow. In October 1945 Stockdale circulated to the colonies of the British West Indies a short summary of Caine’s recommendations in which he outlined five ‘legitimate’ forms of government help that might be extended to new industries: assistance with the costs of scientific research; duty-free entry of machinery; relief from taxation; training; and the improvement of transport facilities. In general, the vision of industrialisation promoted by the Colonial Office was one in which development would occur gradually across the Colonial Empire through the actions of businessmen, with government helping to produce convivial conditions for private investment.

Further insight into the criteria applied by the Colonial Office when considering if an industry might be judged to be desirable is provided by the response to an enquiry from the Governor of Trinidad in January 1946. Bede Clifford requested advice on the incentives Trinidad might offer the British firm Associated Portland Cement Manufacturers (APCM) to set up a factory on the island. The Colonial Office advised the Trinidadian government to say that it was prepared to allow the duty-free entry of machinery and equipment required to set up the plant in Trinidad and would consider providing transport facilities to the site of the works if appropriate. Privately, officials posed the question, ‘was it better for a Colony to buy its cement in the cheapest market because cement was so important to it, or to establish a local industry with all the benefits which that entails, but at the cost of a rather higher price for cement?’ Caine was asked to give his view on the matter. He described the situation as an ‘awkward conundrum’, and stated that there existed little consensus amongst economists on the issue of cost to consumers versus the value of the creation of new industry. He suggested to his colleagues at the Colonial Office that they might advocate a compromise.

What might be described as the middle line of modern thought, lying between the extreme free trade view that protection is never economically
worth while and the extreme protectionist view that it is worth putting almost any burden upon the consumer in order to increase internal production, is that some protection to a local industry may be on balance advantageous if it results in employing local labour which would otherwise be without employment.

If a local cement industry meant an increase in prices or loss of revenue, it was not worth pursuing since the plant would require a large investment in machinery and would provide little new employment. Caine’s conclusion was that the cement works did not provide much economic advantage to Trinidad and so the government should not attempt to persuade APCM to establish a factory there. The wider point demonstrated by Caine’s advice was that in the Colonial Office conception of economic development, industrialisation was not desirable merely for its own sake. Lewis and Durbin, on the other hand, spoke of industrialisation as a necessary step on the path to economic maturity and political freedom.

**US and British visions of industrialisation, 1945–52**

In the first round of discussions between 1943 and 1946, Britain had formulated principles for the encouragement of industry that it hoped its colonies would follow. This advice from the Colonial Office was not substantially revised during the 1940s. Indeed, in 1950 the Colonial Office stated that Caine’s 1945 memo still stood as the most comprehensive expression of British policy on colonial industrial development and one that the Colonial Office said ‘we still regard as adequate’. The approach favoured by Britain, in which government interventions were cautious and limited, was challenged, however, by other members of the Caribbean Commission, who persisted in their efforts to coordinate and plan industrial development across the region. American attempts to see greater interventions to foster industry within the borders of individual colonies was coupled with a drive for a more liberal trade region between territories. The US Section pushed for trade agreements to facilitate the exchange of foodstuffs and manufactured goods in line with wider US policy to reduce tariffs across the world economy. There were also calls for government capital to be provided for a regional bank and for the Puerto Rican industrialisation model to be taken up by other territories. These latter suggestions found favour with officials in the French and Dutch Sections, but not at the Colonial Office. British officials were aware that the US intended to use the Caribbean Commission to extend its influence in the region and shape both the economic and political future of the possessions of the European empires along lines that confirmed to the objectives of
US foreign policy. On more than one occasion, US officials attempted to formally align the Caribbean Commission with the UN in some way, as a specialised agency or a regional council, in order that the territories of the region would abide by principles expounded by the UN such as the Universal Declaration of Human Rights. This ambition was frustrated by officials from France and Britain, who rejected the suggestion of a closer relationship with the UN for potentially undermining their authority over their colonies and as an attempt by the US to force them to a timetable for granting independence.

British officials only occasionally resorted to outspoken dissent in their meetings with other sections of the Caribbean Commission. They were often able to avoid making a commitment to new initiatives by prolonging the process of fact gathering, report writing and debate, the slow pace of which was exacerbated by the internal disputes that sometimes broke out between the other members of the Commission. In rejecting the suggestions of the Caribbean Commission, officials were asserting the primacy of British advice and British capital, both private and public, in the development of British territories. The idea of an integrated and organised Caribbean economy that transcended the borders of the colonial empires in the region was a key element of US policy as promoted by the Caribbean Commission through the 1940s and 1950s. This was in line with the wider ambitions of the US government for a liberalisation of trade in the post-war world and also to ensure that key raw materials produced in the Caribbean, such as bauxite, were made available to US business. It was also considered essential for US security; a more prosperous and unified Caribbean was considered necessary to withstand the threat of communism to an area described as the ‘soft under belly of the United States’.55 The fact that the US Section of the Commission promoted an entity, the wider Caribbean, was a problem for the Colonial Office. US attempts to forge the Caribbean as an economic unit were not easily reconciled with Britain’s preferred political and economic categories – ‘empire’, ‘the British West Indies federation’ and ‘commonwealth’.

The view of Franklin D. Roosevelt was that the Caribbean should be an economic unit, not of free trade, but of multilateral trade agreements, and he argued for wider economic planning so that different Caribbean locations did not act in competition with each other.56 Both the Atlantic Charter of 1941 and the Mutual Aid Agreement of 1942 signed by Britain and the US spoke of the removal of discriminatory trade practices so as to avoid a repetition of a cycle of increasingly protectionist measures as had damaged the world economy during the Depression. The US Section of the Caribbean Commission believed that it needed to combat a tendency towards narrow nationalism in the
Caribbean and spoke of encouraging the colonies to act in accord on the world stage so as to strengthen their position with respect to more powerful economies. Taussig told Stockdale in 1942 how he imagined greater integration would work in practice:

the economies of Puerto Rico and the Dominican Republic were in many respects complementary; that they can mutually benefit from the labor and purchasing power of the one and the surplus food production of the other; that similarly Jamaica, should it develop irrigation projects for the production of rice, may find a market in Cuba and Cuban beef in turn a market in Jamaica.57

While Britain agreed in a joint declaration of 1944 that ‘The economic problems of the Caribbean should be regarded as regional rather than local problems’, it transpired that Britain did not see this as a commitment to reducing imperial preference or the rationalisation of industry across the region.58 Britain continued to maintain a system of preferences in the post-war period and then introduced additional controls on trade and currencies as Britain entered a period of economic crisis after 1947. This worked to frustrate the ambitions of the US Section to see the British colonies opened up to trade outside of the imperial system. When the Colonial Office considered reforms in tariff arrangements or the need to consider the development of industry beyond individual colonies, it did this with the projected federation of the British West Indies in mind. A Federation of the British West Indies, in which all Britain’s Caribbean colonies would be brought together to form an entity that coordinated economic policy and created a customs union was one key way in which Britain aimed to protect its territories from the threat of American interference. The idea of a federation was first advanced in 1947 and debate was under way on such issues as the headquarters of the federation and the nature of its administration whilst the Colonial Office was engaged in debate with the US Section of the Caribbean Commission. Records of conversations that occurred with Washington make it clear that US officials hoped that one of the main beneficiaries of trade across the Caribbean would in fact be Puerto Rico. Moscoso was seeking local markets for goods manufactured in Puerto Rico as part of his programme of industrial development and sought a reduction of shipping costs to facilitate this: ‘it is imperative that facilities for freight transportation be established. If we are ever to become the workshop or industrial center of the Caribbean we must be able to ship some of our surplus products to other Caribbean islands.’59 He also raised the issue of the refusal of the Trinidad Control Board to grant a licence to import cement from Puerto Rico. The British Section of
the Caribbean Commission informed the American Section that this refusal was part of a general policy to conserve US currency. Even when a British colony would authorise imports from Puerto Rico, the workings of imperial preference could make them expensive. According to Moscoso, preferential tariffs were adding around 10 per cent to goods from Puerto Rico so that when it came to the Barbados cement market, British cement retailed at 55 cents per barrel while Puerto Rican cement was $1.28 per barrel. To make matters worse, new controls were introduced after the sterling crisis of 1947. Puerto Rico found that when it sought to import coconuts from British territories for a desiccating plant, a new Oils and Fats Agreement of 1947 allowed copra and copra products to be sent out of the British colonies only if demand within the British Caribbean had been satisfied.

Aside from making little progress in persuading British territories to reduce discriminatory trade barriers, the US Section also found that its attempts to coordinate industrial development across the Caribbean region came to nothing.

Again it was Moscoso who brought Puerto Rico’s grievances to the Commission when he complained about a glass factory that had been established in Trinidad by the Caribbean Development Corporation. The Caribbean Development Corporation was a private company operating in Trinidad that owned a brewery and was expanding into related industries such as bottle manufacturing. In a planned regional economy, the government of Trinidad would not have allowed a new business to be established in competition with an existing one and would have bought its glass from Puerto Rico where a glass factory had been operating since 1942. Britain, however, seemed only interested in aiding the development of industry in British colonies.

The most concerted attempt to introduce machinery for the wider coordination of industrial development across the Caribbean came with the industrial survey of 1947–48. A panel of four experts representing the US, Britain, France and the Netherlands made industrial surveys in their territories and then a French economist, Luc Fauvel, prepared the final report. The two main proposals that emerged were the creation of a Caribbean Economic Policy Committee that would formulate a general economic policy for the region and an American-backed Caribbean Bank that would provide loans to colonies who adhered to that policy. Fauvel reported a strong desire on the part of the expert from the US Section, the Puerto Rican official Rafael Picó, to see more action to stimulate industrial development. Picó, of the Planning, Urbanizing and Zoning Board of Puerto Rico, was one of a number of Puerto Ricans who were appointed to the US Section of the Caribbean Commission; the other high-ranking Puerto Rican official that served
in 1949 was the former Governor, Jesus T. Piñero. These Puerto Rican members of the US Section were more vocal than other officials in agitating for greater government intervention to foster rapid change in the conditions of the Caribbean colonies, both to alleviate the plight of poor Caribbean peoples but also as regional development was of benefit to the Puerto Rican economy.

The suggestions made by Fauvel and supported by Picó were rejected, almost in their entirety, by the British expert, Robert Galletti, who was a constant dissenting voice in the ensuing discussion. Galletti had been chosen by the Colonial Office to represent the British view. He had a degree in economics and had been an officer in the Indian Civil Service where he was Joint Secretary of the Board of Revenue of Madras. While little information is available on Galletti, his views on industrialisation show him to be an ardent believer in the free play of market forces. Galletti told the other experts from the Industry Survey that in his view any attempt to enforce Caribbean-wide policy would be construed by industrialists as an attempt to limit their freedom of action and would deter them from investing in the region:

The highly individualist business man of the West Indies certainly does not desire to have his development ‘co-ordinated’ by any authority able to prevent him from using his own judgment, making his own mistakes and reaping his own rewards.\textsuperscript{66}

Similarly, Galletti stated that the governments of the British Caribbean colonies were unlikely to agree to the establishment of any coordinating body that could force a policy on them. Galletti’s political stance was revealed even further when he referred with disdain to an attempt to create a ‘Gosplan’: a Soviet-style central body that planned and directed industrialisation. For Galletti, economic development was not compatible with overt centralised planning and the role of government was to guarantee freedom of action for British investors and colonial governments. Galletti rejected the proposed industrial development bank as unnecessary on the basis that Barclays Bank and the Colonial Development Corporation already gave loans to private individuals, public bodies or colonial governments. [In reality, the activities of the CDC in the British Caribbean had been limited, and privately the Colonial Office noted that the CDC only dealt with large projects and was not acting as a source of a capital for entrepreneurs hoping to start up small factories.]\textsuperscript{67} The proposals that Galletti made instead were that the Caribbean Commission undertake a market research survey to provide information for businessmen considering investing in the region. He also recommended the Commission encourage the funding of scientific research on the lines of the sugar research that was done
at the Imperial College of Tropical Agriculture in Trinidad funded by the CPRC.  

Aside from rejecting the proposals that came out of the industrial survey of 1948 on the grounds of political economy, the Colonial Office also expressed its concern about the political implications of the proposals set out by Fauvel, describing them as ‘controversial and far-reaching’. The new instruments of the Caribbean Commission recommended by Fauvel and the US Section threatened to give the Commission the power to dictate policy for the British colonies, circumventing the authority of Britain and undermining its prestige in the region and beyond. The desire of the American Section to see an expansion of the powers of the Caribbean Commission was a recurring issue for Britain. From its inception, the Americans were considered to regard the Commission as ‘bigger than we do’, in the words of the Colonial Office, and had a tendency to attempt to endow the body with executive powers. The Colonial Office was intent on protecting the sovereignty of the Colonial Empire by limiting the function of the Commission to that of a body that collated information on social and economic matters.

Nothing came of the proposals made by Fauvel. J. E. Heesterman in his role as Industrial Advisor to the Commission claimed that by the time the final text of Fauvel’s report had been submitted to the Commission, a period of two years had elapsed and it was no longer considered up to date, and it is possible that the stalling of the British Section played a role in retarding any final decisions. In 1949 Lawrence Cramer, who had replaced Taussig as the Secretary General of the Caribbean Commission, made another attempt to instigate some action by suggesting that experts be appointed again to collate information on industrial and agricultural development across the region. The reaction from some officials at the Colonial Office this time was hostile. W. D. Sweaney of the West Indies Department wrote in a note for his colleagues that the recommendation of Cramer would mean a drain on money and personnel in colonial governments, not only in producing the information requested but also to read ‘the voluminous publications which the Caribbean Commission will produce. My impression is that the Caribbean Commission is already producing a great deal of unwanted and unread material.’ Sweaney complained that the production of yet more data would do nothing to attract any entrepreneurs to the region. Colonial Office exasperation with the constant fact-gathering and report-writing activities of the Caribbean Commission was underpinned by the belief that the CDW Org provided the British colonies with all the advice they needed. British officials complained that the US appeared unaware of how much
technical advice was available to Britain’s colonies and was ignorant of the improvements that Britain had engendered through scientific and medical work in its colonies. W. A. C. Mathieson, a member of the UK delegation to the UN, proposed a vigorous campaign of propaganda in 1951 to make the point ‘that we virtually invented technical assistance’. Mathieson singled out one area in particular in which Britain was an acknowledged world leader, the field of sugar research.74

With the creation of Truman’s Point Four programme and the emergence of international bodies such as the World Health Organization, new sources of technical assistance were being pushed on the British Empire. The Colonial Office did not deny that British West Indian colonies might wish to apply for foreign or UN funds or assistance and agreed to this, as long as London and the CDW Org were informed of all requests.75 In private, officials were explicit, however, that everything should be done to encourage the colonies to continue seeking ‘men, money and advice’ from Britain. As Britain’s colonies gained greater autonomy, it was clear that they might seek help from other sources, but

It is important for the future of the Commonwealth and the links between them and us that they should do so as little as possible. It is the job of the Colonial Office to see that the transition to greater political autonomy and independence is made without prejudice to the friendship which we hope to maintain indefinitely with those who are now ‘the Colonial peoples’. The scientific help and guidance which this country gives to the solution to the many problems facing colonial peoples is and can remain a powerful force for the maintenance of such friendship.76

The provision of scientific advice was a key strategy by which Britain hoped to maintain a relationship with its former colonial territories, and from this perspective, American technical assistance was unwelcome.

Advisors from the Caribbean Commission were aware that they were involved in competition with experts deployed directly by the Colonial Office and CDW Org. During the 1940s, Britain had the advantage when it came to the take-up of advice by the British Caribbean colonies to the extent that by the early 1950s, some officials at the Caribbean Commission were complaining that they were not making any impression on Caribbean politicians and policy makers. C. J. Burgess, Executive Secretary of the Economics Section of the Central Secretariat, wrote to Eric Williams in 1951, ‘There can be no doubt that the work of the Commission has suffered severely from the isolation of its staff from the territories and the failure to educate people in the area to its purposes and potentialities.’77 Burgess stated that the British staff
of the CDW Org had a far higher profile in the Caribbean territories and he credited this to the fact that British advisors were more active in getting out to the colonies and proffering advice in person to colonial governments while Caribbean Commission staff stayed behind their desks. Burgess was inspired to undertake a tour of the Caribbean to assemble data for his own Industrial Development Survey. This document was presented at a major conference held by the Caribbean Commission in 1952. This meeting represented the next attempt by the Commission to take a leading role in determining the direction of policy for industrialisation in the region by providing expert reports and recommendations.

W. A. Lewis and Caribbean industrialisation

The various attempts made by the Caribbean Commission during the 1940s to formulate and implement coordinated Caribbean-wide policy for industrial development produced very little, due in no small part to resistance from Britain. Despite its poor record of success, the Caribbean Commission pushed for ways to coordinate policy for industrial development and force a greater pace of change. The commissioners from Puerto Rico on the US Section of the Commission continued to promote their development programme as a model. The value of Operation Bootstrap as a template for industrialisation received an important endorsement when W. A. Lewis was asked to investigate the programme and then used it as the basis of a comprehensive vision of industrialisation specifically for the British West Indies. This was particularly problematic from the Colonial Office perspective as he did so on the request of Eric Williams, the Trinidadian academic who was Deputy Chairman of the Caribbean Research Committee and a member of the British Section of the Caribbean Commission. Whether Williams invited Lewis to make a report with the clear intention of subverting the policy promoted by the Colonial Office cannot be said for certain, but Williams had a history of using his position on the Commission to criticise British rule, and his relationship with the Colonial Office could be fractious. Williams eventually resigned from the British Section of the Commission in June 1955.

In 1951, Williams made the suggestion that Lewis (now Stanley Jevons Professor of Economics at the University of Manchester) be engaged as a consultant to the Commission to produce criteria that could be used to judge the suitability of potential Caribbean industries. Lewis accepted and undertook a tour of Trinidad, Puerto Rico, Jamaica and British Guiana before producing two articles in the
Caribbean Economic Review: ‘Industrial Development in Puerto Rico’ in 1949 and ‘The Industrialisation of the British West Indies’ in 1950. He presented his studies at the Caribbean Commission’s Industrial Development Conference in Puerto Rico, 11–20 February 1952. Officials at the Colonial Office found that Lewis’s opinions on the best ways to encourage industrialisation, views that they had previously rejected when Lewis had been a member of CEAC, now had a new and high-profile outlet. Even worse, Lewis was using the platform that had been given to him by the Caribbean Commission to make direct criticism of Britain’s colonial policy.

Puerto Rico was chosen as a venue for the conference so that delegates could see Operation Bootstrap for themselves. The industrialisation programme begun in 1942 had expanded a great deal. After beginning with government-run factories of questionable value, the scheme had switched to a policy of attracting outside investment. In 1948 a law was passed giving tax exemption for ten years for investors creating factories on the island. In 1945 PRIDCO established an office in New York and promotional offices were subsequently created in Miami, Los Angeles and Chicago that worked to attract American business to Puerto Rico. The Public Relations department placed articles in the press, published pamphlets, staged exhibitions and produced films. Moscoso engaged the services of the advertising executive David Ogilvy, who devised a campaign that ran in American newspapers and magazines. The campaign aimed to change the image of Puerto Rico as a backward island and instead sell it as an economically attractive and politically stable place for American business to set up factories. Puerto Rico was promoted as the only part of the US where industry could operate with complete tax exemption. In addition, the island offered the benefits of relatively low wages for labour, and since Puerto Rico was considered part of America, the territory used the US dollar as currency and there were no import duties for goods shipped to the mainland. Other incentives provided by PRIDCO, and then the Economic Development Administration formed in 1950, included the acquisition of land and construction of factory buildings, subsidised rents on industrial premises and loans to industry. By creating conditions perceived favourable to private industrial capital, Puerto Rico saw twenty-four new industries established by 1948 and over 300 by 1955. This ‘industrialisation-by-invitation’ approach was promoted as a model for other developing areas by both Puerto Rican members of the US Section and also officials from the US mainland, such as the Secretary General of the Commission, Lawrence Cramer, who reported on the programme for the Economic and Social Council of the UN.
In ‘The Industrialization of the British West Indies’, Lewis stated that the Puerto Rican experience demonstrated ‘why the industrialisation of a new country cannot just be left to the ordinary forces of the market, but demands very positive and very intelligent action by governments’. This was a rebuke to the Colonial Office and the approach advocated by Caine. Lewis criticised the industrial policy of the Colonial Office for its adherence to laissez-faire economics:

The basis of the laissez-faire philosophy is simply the belief that, if anything is worth doing, then someone will do it. If no one does it, then it cannot be worth doing, and the effort of a government to get it done must be contrary to the public interest. On this view, it is not necessary for a government specially to promote industrialisation, for, if industries are worth establishing, then private persons will establish them. The sphere of the government is confined to helping in the usual ways, such as paying for technical education, or maintaining communications.87

Instead, Lewis argued for various forms of government assistance. As in Puerto Rico, the other territories of the Caribbean needed to focus their efforts on attracting outside investment. A customs union created by the federation of British territories was advisable to create larger regional markets for prospective industries and to prevent competing industries emerging in the colonies of the Caribbean. In addition, the British West Indies needed to attract British and American manufacturers who exported to Latin American markets to set up their factories in the British West Indies. This was not an easy matter as industrialists would always prefer to go to a place that was already developed. Special measures were needed to attract the first pioneer industries, including tax holidays, monopoly rights, subsidies or tariff protection, and a period of ‘wooing and fawning’.88

Lewis’s recommendation was for the creation of an industrial development corporation to serve the whole British West Indies. Its job would be to decide on the types of industry that might be useful, to advise government on the assistance to be offered to new industry and undertake public relations work to interest manufacturers.89 In a reiteration of the vision of development that he had put to the Colonial Office almost ten years earlier, Lewis said that the corporation should focus on creating trading estates with electric power and transport connections, so that factories were concentrated in one area to reduce their costs. It would also be useful if the industrial development corporation built factories to be leased, as the Labour Government had in fact done in Britain’s depressed areas at home. Modelled on the Industrial Development Company in Puerto Rico, the industrial development corporation would have offices in London and New York in order to
make the contacts necessary to attract business to the Caribbean. It would require a substantial budget and a large and expert staff based in the UK and US to advertise the benefits of the British West Indies.\textsuperscript{90} Finally, when it came to sources of finance available to fund new industry, Lewis rejected the suggestion that the CDC was sufficient, stating that the CDC did not represent the interests of the West Indies but was ‘a creature of the United Kingdom government’. Although attracting foreign capital was the priority, Lewis said it was probably necessary for the British Caribbean to have an industrial development bank to act as a lender of last resort.

Over the next decade, some of Lewis’s recommendations exerted much influence on the policies for industrial development adopted by Britain’s Caribbean territories. In the short term, however, the Colonial Office rejected the recommendation for the creation of an industrial development corporation on the basis of cost.\textsuperscript{91} The Colonial Office also doubted, incorrectly as it turned out, that any colonial government would be impressed by what officials described as the low living standards of Puerto Rico and rush to embrace Lewis’s suggestions.\textsuperscript{92} British officials continued to adhere to a vision of industrial development for the Caribbean that conceded there was a need for government action to encourage industrialisation but wished to restrict this role to the provision of services and information with some short-term forms of tax relief.

Conclusion

The 1940s were a time of unprecedented interest in the encouragement of industry in places traditionally reliant on an agricultural sector, many of which had suffered badly during the Great Depression. Discussions at the metropolitan, imperial and regional level during the 1940s and 1950s led to the emergence of a number of proposals for the industrial development of Caribbean region. Whilst Colonial Office policy marked a break with the past in embracing the need for some degree of industrial development, it was cautious and limited in contrast to the ideas of the architects of Puerto Rico’s industrialisation programme or the proposals of Lewis. When left-wing economists and proponents of the New Deal considered the future of the Caribbean, they prioritised government-led change and focused on the need for transformation of colonial economies to improve living standards, help invigorate a regional and world economy and demonstrate the altruism and efficacy of American-backed ventures operating after 1945.

While the Colonial Office spoke of the need for greater metropolitan action to encourage development after 1940, it avoided making
large financial commitments. The desire to avoid tying colonial and metropolitan governments into long-term financial responsibilities can be seen to have stemmed in part from awareness that the support that came from the British government for development had limits. Britain found itself in straitened financial circumstances in the post-war world, in contrast, of course, to the US. The economic crisis of 1947 caused a reordering of priorities at the Colonial Office. The self-interest of Britain was asserted over the needs of the colonies and there was focus on increasing production of primary products in the colonies that might earn dollars or alleviate shortages at home. Apart from this, however, the principles upheld by the Economics Department of the Colonial Office reflected long-held beliefs amongst officials on what constituted sound political economy. Lewis described Caine’s department as ‘the last refuge in this country of what is popularly called 19th century laissez-faire’.93

A lack of enthusiasm for institutions such as the government-run industrial development corporations and publicly funded development banks may well have contributed to the relative invisibility of the British approach, both at the time, and to historians subsequently. One area in which the Colonial Office did encourage state intervention to facilitate industrialisation was through the funding of scientific research, a priority unique to the Colonial Office. Under the CPRC, two new scientific laboratories were created in Trinidad to carry out work that was anticipated to be the basis of industrial diversification. These laboratories were intended to be highly visible symbols of the modernising intentions of Britain. They also represented a resolution of the question of how government could intervene to stimulate economic change without compromising the tenets of liberal political economy.

Notes
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10 TNA, CO 852/588/2.
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15 Whitham, Bitter Rehearsal, p. 113; National Records and Archives Administration (NARA), College Park, Maryland, USA, RG 43 UD 07D 82, Box 3 A1–5c.
17 Parker, Brother’s Keeper; Whitham, Bitter Rehearsal, pp. 38–45; Fraser, Ambivalent Anti-Colonialism, pp. 48–49.
19 Ibid.
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22 TNA, CO 1042/14.
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