Accounting for Decolonization: The Origins of the Sudanese Economy, 1945-1964

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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.
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Introduction: The Sudanese State from the Vantage Point of Its Finance Officials.

Faced with uncertainty about their relationship to a British empire that was itself in the throes of change, elites in Khartoum were forced to construct a new political economy upon which to base the Sudanese state. The political economy of the state was created by the conscious choices of Sudanese state-builders. The choices that the Sudanese elite made were influenced by the environment in which they took place, such as the fluctuations of the international commodity market, the escalation of the regional competition for hegemony in the Middle East, the rise of Third Worldism, and the escalating demands of overlapping communalisms within Sudan orientated towards the state, sub-regions and even supra-state communities. Sudan’s political economy was also shaped by the adoption of new tools of economic management, such as national development budgets and project plans, economic surveys, an independent currency, national income accounts and planning tied to growth rate targets. The adoption of these instruments into the tool kit of Sudanese policymakers shaped their choices, as did their attachment to interest groups and the international environment. Sudanese officials, often reacting to circumstances that were beyond their own control, were forced to make deliberate choices in order to construct the political economy of the late colonial and early independent state. Therefore, it is possible to ask what British and Sudanese policymakers meant by economic independence, and how an independent economy related to the creation of an independent state. Did an independent and territorially defined economy precede a territorially bounded state or did a territorially bounded state precede an independent economy?

In this dissertation, I illustrate the extent to which state building was wrapped up in building a national economy and vice versa. As officials in Khartoum struggled to legitimate
their own authority, they felt the need to assert the territory’s economic independence in order to give their nominal sovereignty meaning before international and domestic audiences. At the same time, in order to exercise control over the economy, Sudanese policymakers found it necessary to attempt to define a political space in which compromise and consensus were possible. Yet as the era of decolonization advanced, both political and economic independence became increasingly difficult to achieve, let alone to maintain. Political factions turned to outside patrons for support in their domestic conflicts, and the fate of the economy remained tied to commodity prices that national policymakers had very little ability to control.

The 1940s, 1950s and 1960s were decades of political turmoil in Sudan as the struggle for economic development coincided with the quest for political independence. The story of Sudan provides the historian with a unique vantage point on the process of decolonization. In contrast to the situation in most decolonizing countries where the colonial borders and the colonial economy overlapped during the struggle for independence, Sudanese officials found themselves confronted with the dual task of defining the political boundaries of the soon to be independent state while trying to carve out a Sudanese economy that was distinct from both the British and Egyptian economies with which it was tightly integrated. This challenge was made more difficult because the institutions that tied the three economies together were numerous, but power was diffused. This point is illustrated by a quick look at the institutions involved in managing the country’s financial affairs. In the early 1950s, Sudan used Egypt’s currency, but it possessed its own fiscal authority, and stored part of its reserves in British banks. The fragmentation of authority extended to the management of water rights. The Government of Sudan dealt with agricultural land and managed individual schemes; however, rights to the Nile waters were regulated by agreements signed exclusively between Egypt and Great Britain. Both
of these countries held competing ideas about how to manage the Nile basin as an integrated system. Another challenge was that southern Sudan possessed economic and cultural links with British East Africa while the northern Sudanese often looked to the Arab states.

**Sudanese History as a Story of Continuity**

By most accounts, the state that the Sudanese people inherited in 1956 has been unable to contain the political and economic tensions tearing it apart, tensions that manifested themselves in war, rapid political transitions, economic turmoil, and as of 2011, the secession of South Sudan from the Republic of Sudan. There are many competing explanations for what has been referred to as the instability or turmoil of the post-colonial state.¹ The debate has often been characterized by a search for unitary explanations. Frequently the literature on Sudan has searched for explanations of the country’s post-colonial instability by seeking “root causes” in the colonial period or in the Ottoman-Egyptian conquest of Sudan, which began in the 1820s. In part, this debate has rested on more general questions about the colonial legacy and whether or not the colonial period was decisive in creating new political, social or economic institutions. In recent years, this issue has been explicitly recast in debates about the land tenure system in Darfur, and whether colonialism created new political identities there, or if identities dating to before the colonial period were retained and continue to explain current political cleavages.²

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² For the argument that the colonial state imposed categories of native and settler on certain communities on the basis of which it allocated land rights, and therefore reified particular political divisions. Mahmood Mamdani, *Saviors and Survivors: Darfur, Politics, and the War on Terror* (New York, NY: Pantheon, 2009); for an opposite position on the survival throughout the British colonial period of older forms of land tenure and political identification, see R.S. O’Fahey, *The Darfur Sultanate: A History* (New York, NY: Columbia University Press, 2008). For an up to date discussion of the limitations of both perspectives in application to Darfur see
Similarly, Justin Willis has argued that colonial authorities remade administrative authority in collaboration with African agents.³

Relying less on an analysis of transformations within specific institutions, writers such as Douglas Johnson and Jok Madut Jok have instead focused on the persistence of patterns of exploitation between the northern riverain communities and the rest of Sudan. While acknowledging that the mechanisms of exploitation have changed over time, these writers have argued that the elites’ self-image of cultural supremacy, an elite derived from the tribes first conquered by the armies of Mehmet Ali such as the Ja’alin, Shaigiya and the Danagla, has allowed these groups to justify their exploitation of the rest of Sudan.⁴ The most flagrant example of cultural supremacy pointed at by these writers has been the persistence of the institution of slavery.⁵ Fatima Babiker Mahmoud has emphasized the privileged connection of traders and officials from the Ja’alin, Shaigiya and Dongala to the outside world and wider trading networks. These connections made it both possible and profitable for members of these communities to engage in activities such as slavery.

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⁴ Johnson notes that the Sudanic states began systematically raiding their peripheries in the 14th century. Johnson continues by asserting that “The southern Sudan had been largely unaffected by the succession of early states in the North. By the early eighteenth century, southward expansion was effectively halted by the Shilluk kingdom…and by the Dinka living along the Kiir…White Nile, or the Sobat…The Turco-Egyptian conquest of the Sudan upset this regional balance….It was during this period of the nineteenth century that we can identify the beginning of a North-South divide.”
⁵ Jok Madut Jok, War and Slavery in Sudan (Philadelphia, Penn: Pennsylvania University Press, 2001); An explicit statement of the thesis that the Arab elite has sought to underdevelop Africans in relation to economic development can be found in Benaiah Yongo-Bure, Economic Development of Southern Sudan (Lanham, MD: University Press of America, 2007); see also Abdullahi El Tom, Darfur, JEM and the Khalil Ibrahim Story (Trenton, NJ: Red Sea Press, 2011).
northern groups to create commercial networks, which spanned the whole scope of the country and in the process to build a state that could protect their privileged position. A third strand has explained the instability of the Sudanese state, as the result of the fact that colonialism left Sudan marred by a series of incomplete nation-building projects during the last quarter of the 19th century. Examples include the rise of the Mahdiyyia movement, transformations within the Mirghani Sufi order, and the growing mobilization of southern communities.

Alternatively, others have chosen to focus on the period of the Anglo-Egyptian colonial conquest of Sudan in 1898 until the present, examining how the investment decisions of the colonial state created patterns of investment, which persisted after independence and established a bias towards the riverain territories. The colonial “inheritance included a bias towards big ‘productive schemes,’ not incidentally in the center, because these promised the returns needed to finance social services, communications, and other development.” While the political economist Tim Niblock’s use of the term “the establishment” is perhaps excessively totalizing,

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8 “That elite was drawn mainly from the riverain north and had succeeded to the perquisites and priorities of the colonial regime.” M. W. Daly, *Darfur’s Sorrow: A History of Destruction and Genocide* (New York, NY: Cambridge University Press, 2007) 162-163, 185-189.
his basic comments remain true that the political and economic elite remained largely the same throughout the 1960s, after coming into being in the 1920s. Patterns of investment also remained quite stable, and patterns of inequality persist until today.\(^9\) In searching for structural explanations for the persistent political and economic conflicts within Sudanese society much of the literature has ignored both the role of ideas in altering how policymakers understood the decisions presented to them and the particularity of the period between 1945 and the mid-1960s.

**Decolonization as a Turning Point**

The willingness of successive Sudanese regimes to engage in extreme violence has made it very tempting to search for structural explanations for the violence of the Sudanese state, and for continuity in the underlying rationale of the state itself.\(^{10}\) However, while violence itself is endemic in the historical record, the justifications for violence change over time, and understanding and explaining acts of violence and exploitation necessitates an approach to historical interpretation that is sensitive to the intellectual ideas, which allowed officials and other actors to behave as they did.

Most writers of Sudanese history, except for those who focus almost exclusively on the particularities of war, famine and political Islam beginning in the 1980s, have tended to emphasize long historical continuities over the last hundred or two hundred years of Sudanese history, rather than emphasizing the particularity of the decolonizing moment in Sudan, a period


\(^{10}\) Alex De Waal, “Sudan: The Turbulent State,” 32.
which extended from the 1940s until the October Revolution of 1964. In emphasizing this approach, Sudanese scholars have deemphasized the distinctiveness of the late colonial and early post-colonial state.

One manner of theorizing the late colonial and the early post-colonial state as a unified but distinct whole is to term both developmental states. As Crawford Young has correctly pointed out, “the premise of state control and management of the economy as a necessary responsibility in the struggle for decolonization was solidly implanted in state reason well before the imperial flags were lowered.”

A state committed to managing ever more aspects of the social and economic lives of its subjects began to rapidly expand from the 1930s onwards. Though the late colonial state often could not achieve its lofty goals of social engineering, it did succeed in creating a new, less racially charged language to justify its existence, while expanding to absorb growing ranks of European and African technocrats. Development, despite or even perhaps because it remained vaguely defined, became a new source of state legitimacy.

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By mid century, development with all of its variations had become a fundamental value against which to measure and compare governments and societies, the ultimate source of legitimacy. Despite wide divergences in their visions of the future, the universalism of the development vocabulary made cooperation possible, even as it allowed colonial officials and nationalists to structure their conflicts.

By turning to the discourses of economic management and “development,” it is possible to capture the specificity of the period from the late 1940s until the mid 1960s, both in terms of the possibilities presented to Sudanese state builders and the constraints that they faced. It is this specificity that ultimately determined the shape and form of the early post-colonial Sudanese state. Shifting discourses of development were intimately tied up with the production of the state and the entrenchment of its bureaucratic power. Consequently, by studying the state’s development plans, it is possible to reconstruct the distinctiveness of the early post-colonial state. Studying development practices also sheds light on what finance officials and planners in Sudan meant by development. Despite its universalism, development remained an ideological construct,

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17 Cooper, “Modernizing Bureaucrats…” 64.

and as an ideology its meaning was defined primarily through contestation, such as the debates surrounding the formation and implementation of particular economic and financial policies.¹⁹

Focusing on the specificity of the two decades immediately following the end of the Second World War, allows for an investigation of the specific meanings of development as well as changes in the economic and financial rationales of state actors. Methodologically, it is useful to bear in mind James Ferguson’s insights that “…thinking is as ‘real’ an activity as any other, and that ideas and discourses have important and very real social consequences…”²⁰ Ignoring the place of ideas not directly tied to identity formation, much of the literature on the modern Sudanese state has focused on structural factors such as the dependence of peripheries on strong cores or the presence of powerful interests in order to understand the country’s political economy.²¹ As a result works of Sudanese political economy have largely failed to consider the impact of shifts in economic theory on the development and behavior of the state.

Moving back in time from the mid-1970s until the 1940s, it is impossible to take either territorial sovereignty or the development discourse for granted in the case of Sudan. Economic planners in Khartoum were forced to struggle to define both the scope of the object they were to manage, and the nature of their economic responsibilities to “develop” or govern what by the mid-1960s would become the Sudanese economy. This brings up the final difference with Ferguson’s work: While his study is primarily focused on “the international development

²⁰ Ferguson, The Anti-Politics Machine xv.
²¹ Sudanese scholars were hardly alone in attributing powerful interests a causal role in the rapid expansion in African poverty. Perhaps, the most famous explanation for the decline in post-independence Africa’s agricultural production, particularly during the 1970s, attributed this decline to the presence of powerful urban interests. See: Robert Bates, Markets and States in Tropical Africa: The Political Basis of Agricultural Policies (Berkeley, CA: University of California Press, 2005).
complex,” this study focuses on officials employed by the successive governments of Sudan, and is therefore primarily concerned with the creation of objects that could be located directly under their control such as the economy, the state or the political sphere.²²

**The Imperial Fragment**

Officeholders in Khartoum ended the Second World War confident that the Anglo-Egyptian Sudan had indeed played a small if valiant role in the defense of empire; a role which British officials in Sudan hoped would solidify their territory’s often-neglected position within the imperial constellation. However, senior British officials and the Sudanese political elite both inside and outside of the government were gripped with an occasionally hopeful, but often fraught, anxiety about the Sudanese government’s shifting role within the empire. After all by 1945, the British officials stationed in Sudan had been instructed to consider the territory alternatively a province of Egypt, a department within the Egyptian government and then as an integral part of the imperial trading and later war-fighting machine, but rarely as an independent economic entity.²³ Policymakers throughout Africa had reason to be nervous, for as the Secretary of State for the Colonies Oliver Stanley, announced Britain’s decision to increase the amount of money allocated to the Colonial Welfare and Development Act of 1944, he made it known that although the Empire had fought the war as an economic unit, afterwards territories would be responsible for funding themselves.²⁴

While the overlapping sovereignty of Britain and Egypt made the Anglo-Egyptian Sudan in many ways a special case, officials in Khartoum during the 1940s and early 1950s were hardly

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²⁴ Cooper, “Modernizing Bureaucrats…” 68.
alone in confronting the question of the ideal unit of political and economic governance.

Overlapping and competing sources of political and economic authority were a common feature of East Africa during the 1940s and 1950s. The location of political authority was in part an outcome of changes in the international system that privileged the units created by the European powers over other forms of political representation, even when national political organizations were weak.\(^{25}\) Anti-colonial struggles that sought to allow formerly subjected people to express themselves in new ways, however, also played an important role.\(^{26}\) Timothy Mitchell has highlighted the end of empire as one of the unique occasions in which it was possible to re-imagine the economy. After independence, state bureaucrats and planners would struggle to reconcile their idealized conceptions of a national, sovereign economy with the impositions and vagaries of the international commodity market, the need for foreign aid, and the expense of development. Despite the claims of economic nationalists, Sudanese officials like officials elsewhere in Africa struggled to plan an economy that was open to the world and therefore only partially under the control of officials in Khartoum.\(^{27}\)

The number of political units proposed by African and Arab intellectuals, and even European officials stationed at the local or imperial level, demonstrates the extent to which units of the political or economic imagination were malleable. In the 1940s, concepts related to supraterritorial units found vibrant support. Many championed the concept of the “Unity of the Nile Valley,” the idea of a Central African Federation or an East African High Commission. By the late 1950s, Nasser’s government had made the United Arab Republic, a union between Egypt


\(^{26}\) Cooper, “Possibility and Constraint…” 167-196.

and Syria with the potential to continue to expand, a reality. Imperial bureaucrats, settlers and religious and ethnic communities, as well as various types of nationalists were all in dialogue with one another about the appropriate units of political and economic authority. Even as their imagination turned towards the creation of supra-territorial entities, many across the continent were focused on strengthening smaller communities. Similarly, smaller communities were aggregating themselves into larger and more politically unified societies.\footnote{Low and Lonsdale, “Introduction: Towards…” 1-63.} For instance, starting in the 1930s, chiefly courts in the southern provinces of the Anglo-Egyptian Sudan began to evolve into institutions capable of speaking in the name of the community. During the 1950s and 1960s, an oppositional southern identity began to take hold.\footnote{On the ways in which the institution of the Chieftainship gradually evolved into representative institutions that could foster a Southern identity, see: Cherry Leonardi, “Knowing Authority: Colonial Authority and Local Community in Equatoria Province, Sudan, 1900-1956,” Ph.D. thesis, Durham University, UK, 2005, 151-156; and Robert O. Collins, \textit{Shadows in the Grass: Britain in the Southern Sudan, 1918-1956} (New Haven, CT: Yale University Press, 1983) 412-56. For the seminal work on the development of sub-national identities in Nigeria, see James Coleman, \textit{Nigeria: Background to Nationalism} (Berkeley, CA: University of California Press, 1971).}

**Why Study Finance Officials, Planning and Other Tools of Economic Policy Making?**

Planning was not only a means to order the economy, but also a means of constructing the state; even if the state itself had very little capacity, it could plan.\footnote{“The distinction between planning and the plan is that planning is a continuous operation, it includes numerous operations. The plan is an operation, which is implemented, then another operation follows, which is implemented and its performance is evaluated. As for the plan so it is the document, which includes the aims and means for a defined period, which maybe lengthened and maybe shortened, and there is no possession of continuousness in the plan as is the condition in planning.” Sayyid Nimeiri, \textit{Takhtit al-Iqtisadi fi al-Sudan} (Khartoum, Sudan: al-Khartum lil-Nashr, 1978) 14.} As the plan traveled through the various offices and departments of the government, its authors were forced to ask fundamental questions about the nature of the entity to be governed and also about the role of the
state in relation to the economy. They asked questions such as how the state would occupy its
territory in the future, how Khartoum would relate to its various internal parts, how the state
would be positioned internationally, and finally how the state should relate to its own citizens.
The answers shifted constantly as the bureaucracy struggled to reconcile its expertise with the
various competing interests that it represented.\textsuperscript{31}

Much of the literature on the postcolonial African and Arab state has centered its
attention on the question of whether or not the state was weak or strong in relation to an often
poorly defined “society.”\textsuperscript{32} But perhaps this is a false dichotomy, often compounded by an
insistence on assuming a rapacious and predatory state, whose official institutions served little
purpose other than legitimization and patronage.\textsuperscript{33} The point here is not to argue that
postcolonial states were not rapacious, but to question whether or not the study of their
institutions can so easily be dismissed. Rather than being purely decorative, the bureaucracy and
its practices, particularly planning, served to structure elite conflict and bargaining. Plans were

\textsuperscript{31} For an example of how one planner Wolfgang Stopler serving as an outside consultant on the
planning process in Nigeria came to view the function of planning not as directing the economy,
but rather as gathering information and building consensus within the disparate offices of the
Nigerian government, which hardly communicated with one another, refer to:
Mary S. Morgan, “‘On a Mission’ with Mutable Mobiles.” Working Paper on the Nature of
\textsuperscript{32} See: Jeffrey Herbst, States and Power in Africa: Comparative Lessons in Authority and
Colonial State in Comparative Perspective (New Haven, CT: Yale University Press, 1997).
\textsuperscript{33} Thus Bayart has asserted that it is a waste of time to study the institutions of the African state,
the legal edifices of the state being little more than a shell to hide criminality, and political
networks of clientelism which in their very internationalism often make state institutions
irrelevant.
Jean-Francois Bayart, Stephen Ellis, and Beatrice Hibou, The Criminalization of the State in
Patrick Chabal and Jean Pascal Daloz, Africa Works: Disorder as a Political Instrument
(Bloomington, IN: Indiana University Press, 1999).
formulated over and over again, because planning institutionalized the techniques of bargaining, and resolved basic questions about the terms on which bargains took place.\textsuperscript{34} Plans and planning defined the boundaries of consensus, much as the discourse of development, speaking the idiom of economics, established the language of negotiation.\textsuperscript{35} This is not an attempt to praise the early postcolonial state as striving for voluntary consensus: its attempts to either centralize or decentralize authority in the name of nation building often resulted in violence.\textsuperscript{36} Rather, the point here is simply to assert that the institutions and practices of the state defined the nature of the state both to itself and to its subjects.\textsuperscript{37}

\textsuperscript{34} For a discussion of the ability of plans to facilitate communication and knowledge transfer amongst various constituencies, see: Mary S. Morgan, “‘On a Mission’ with Mutable Mobiles,” 6-7.

\textsuperscript{35} Speaking of law and legal analysis, and the same could hold true for the language of development and planning, Roberto Unger has shown that elite instrumentalization of their discourses or the question of their belief in the principals underlying their vision has little bearing on the power of the ideals or the vocabulary they are employing. Unger writes, “The subtlety in this conversion of vision into vocabulary and of vocabulary into strategy is that the strategic imperative requires the agent to continue speaking the vocabulary of the vision in which he has ceased to believe. In so doing, he fails fully to grasp the hidden restraints implicit in his supposedly strategic language.” Roberto Mangabeira Unger, \textit{What Should Legal Analysis Become?} (New York, NY: Verso, 1996) 52 and 54-55.

\textsuperscript{36} Mamdani has argued that conservative African regimes created ‘decentralized despotism’ which enhanced ethnic and tribal divisions, while radical regimes created yawning divides between the urban and rural areas. Both processes often ended up in violence. Mahmood Mamdani, \textit{Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism} (Princeton, NJ: Princeton University Press, 1996) 25-26.

\textsuperscript{37} See the recent work on the secret ballot and elections in post-colonial African countries. Despite some robust democracies, it has often been easy to dismiss elections in post-colonial Africa as flawed, particularly those held under authoritarian regimes, which have appeared merely fraudulent. But recent work has suggested that secret ballot elections, even if the ultimate result was not in doubt, were in fact important, because they reinforced the ideal of an orderly state contracting with rational individuals. The repetition of the event becomes important in part, because of the widespread awareness of each iterations short fallings, and therefore the necessity of constant improvement. A similar dynamic can be seen in planning with each plan lamenting the failings of the previous plans.
The late colonial and postcolonial Sudanese state can be thought of as representing the institutionalization of shifting elite bargains. Some of those elites were located within Sudan and some transcended Sudan. Planning is a useful site of investigation because it tracks the evolution of those elite bargains. While the bargains reached among the elite were often functional, the rules and tools of economic planning structured how bargains were reached. Economic planning represented the repeated attempts of a cadre of bureaucrats to inscribe elite bargains, and in the process, to articulate the terms on which others would be allowed to participate in the economy that the state itself was struggling to create even as it created its own institutions.

Despite, or perhaps because of the persistence of intergovernmental rivalries, planning, due to its future orientation, public nature and repetition, captured the aspirations of senior


Much of the literature on the postcolonial Sudanese state has emphasized the inability of any one faction of the elite to gain a dominant position over the other factions of the elite. It has recently been argued, although the mechanisms remain to be fleshed out, that inter-elite rivalries have forced the apparatus of the state to function as a mediator. Historian Roger Owen has consequently classified Sudan as a “mediating” state in contrast with centralizing states such as Egypt. Roger Owen, *The Rise and Fall of Arab Presidents for Life* (Cambridge, Mass.: Harvard University Press, 2012) 102-105; for a discussion of Sudanese politics as an example of a political balancing and negotiations within a political market place, see Alex De Waal, “Dollarised,” *London Review of Books* (24 June 2010): 38-41. In interest group pluralism, if we substitute law for planning, two of the requirements for the system to work are that all parties play by established ground rules and the second is that no major group remain unorganized or underrepresented. By 1958, southern politicians had begun to feel intensifying frustration at their inability to organize in such a way that their voices could be heard, and the main established northern parties were becoming unsatisfied with the cost and complications of electoral politics. Unger, *What Should Legal Analysis Become?* 53.

bureaucrats to legitimize the state.\textsuperscript{40} From 1946 until 1964 the quest to centralize authority in Khartoum remained a constant element in Sudanese planning, yet “the ideal relationship” between the state and society depicted in the plan shifted over time. Planning became associated with the competence of bureaucrats, both individually and collectively. The different ways in which the bureaucracy, and the elites it represented, sought to legitimate its authority determined how inclusive the plans, surveys and budgets were that the bureaucracy presented.

The central questions before independence in 1956 were how and on what terms Khartoum would incorporate the various regions of Sudan followed by how Khartoum would position itself internationally. In the years immediately after independence, a core question became whether the bureaucracy in Khartoum would be able to negotiate with the various pre-existing constituencies within Sudan to execute its economic policies within existing constraints. Yet by 1959, with the long-awaited publication of the national census and national income accounts, the question became whether the state could construct a relationship with its citizens based on more than brokerage amongst various groups. Initially, state economic governance was consumed with visible questions, such as how much cotton was being produced and then sold internationally for hard currencies in order to cover the ever-rising cost of imports, both capital goods for development and consumer goods. Politics and political fortunes depended largely on the size of the spoils available to varying groups. However, beginning with National Income accounts, and a new focus on raising the country’s per capita income, the Sudanese state

increasingly began to define itself as having a direct relationship with individuals, even if that relationship showed up primarily only in aggregate measures.\textsuperscript{41}

Even as the ‘Abboud regime, a military dictatorship which came to power in November 1958, spoke of establishing a relationship with its citizens that would not rely on the intermediation of the traditional parties, it fetishized the “economy,” represented as a combination of the aggregate figures collected by the state’s statistical agency.\textsuperscript{42} The GDP calculated as a result of national income accounts became a novel means of representing the economy, and economic progress. Increases in the rate of economic growth, became a means of representing a successful government. Statistical and planning offices worked to manufacture what Latour has defined as an instrument.\textsuperscript{43} The growth targets that underlay the Ministry of Finance and Economics’ \textit{Ten Year Plan for Economic and Social Development}\textsuperscript{44} were established by back-of-the-envelope calculations made by officials sitting comfortably at their desks. The data to support these officials’ assumptions, which would eventually verify their credibility, was gathered by the Ministry of Finance and Economics and the Department of Statistics at great effort, through repeated population and economic surveys. The results were to be determined by calculating the country’s National Income.


\textsuperscript{43} “[An instrument] can be a piece of hardware like a telescope, but it can also be made of softer material. A statistical institution that employs hundreds of pollsters, sociologists and computer scientists gathering all sorts of data on the economy is an instrument if it yields inscriptions for papers written in economic journals with, for instance, a graph of the inflation rate by month and by branch of industry.” Bruno Latour, \textit{Science in Action: How to Follow Scientists and Engineers through Society} (Cambridge, MA: Harvard University Press, 1988) 68-69.

The coordinated deployment of population censuses, economic surveys, plans and national income accounts, combined with a belief in the theory that intensive capital investment would automatically lead to economic and social development allowed officials within the ‘Abboud regime to believe that they could read increases in the country’s per capita income as readings of legitimacy equivalent to, if not more significant than the results of parliamentary elections. This interpretation of Sudan’s economic growth figures survived growing unrest in the Sudanese periphery, which could be excused as localized troubles in the backward regions of the country. Officials in Khartoum dismissed unrest and complaints in the periphery as either proof of those regions’ lack of modernity, or as temporary, but necessary frustrations. In their eyes, these disturbances did not fundamentally alter the need to concentrate investment in a few massive, but potentially highly profitable projects located in the Sudanese core. However, in October 1964, the equation of economic growth with the legitimacy of the regime could not survive riots and unrest in the capital. The wealthiest region in Sudan, its residents benefited most directly from the regime’s economic policies. Hence, the October uprising called into question for policymakers whether per capita income could be read as proof of the regime’s legitimacy. This surprised senior officials within ‘Abboud’s regime, who resigned after finding that the military would not support them.\(^45\) It also created a space for elections to return as the arbiter of good governance, though these continued to be perceived as deeply flawed. Yet the failure of the ‘Abboud regime did not destroy the legitimacy of economic expertise; rather it further entrenched planning and the discipline of economics in Sudanese affairs as tools capable of explaining the failure of the military regime’s economic policies. The inability to translate

favorable economic indicators into regime stability became a preoccupation for new generations of Sudanese technocrats and their cadres of outside advisors.46

By moving away from an approach based solely on interests and identity politics and towards one that foregrounds changing approaches to development, we realize that the political conflicts that dominated Sudanese history since independence were influenced by shifting ideas held by senior policymakers about how to manage the economy. Many of these policies, in turn, were the direct results of the adoption of particular economic tools. For instance, state officials conceived of development planning and budgeting in 1946 in ways that were dramatically different from the practices associated with development planning in the 1960s. The most noticeable change was the movement from a kind of planning that was concerned with estimating total government capital expenditure to a style of planning that incorporated attempts to measure the impact of particular types of spending on the various sectors of the economy in order to achieve firm growth targets. Changes in the state’s style of planning played a large role in determining the types of investment considered economically rational, and the resulting patterns of investment directly impacted Sudan’s political stability.

The Tools of Economic Policy-Making

Each chapter of my dissertation explores one or two of the following economic and political techniques: economic planning, economic surveying, an independent currency, budget

46 The chief of the Economic Planning Secretariat charged with writing the Ten Year Plan wrote one of the most important retrospectives of this period. It continues to be an important economic text used today to train the country’s economic planners. See: Abdel Rahim Mirghani, Development Planning in the Sudan in the Sixties (Khartoum, Sudan: University of Khartoum, 1983); Rolf Gusten, Problems of Economic Growth and Planning: the Sudan Example; Some Aspects and Implications of the Current Ten-Year Plan (New York, NY: Springer-Verlag, 1966); see also the establishment of journals such as the Sudan Journal of Administration and Development beginning in 1965.
forecasting and national income accounting. Each of these techniques was instrumental to the creation of an independent Sudanese economy. The deployment of these techniques defined the limits of Sudanese economic independence. In many ways, the representation of an independent Sudanese economy was a by-product of reluctant policymakers attempts to define their own authority. Once economic independence had been asserted, policymakers discovered that their power to govern and shape the direction of Sudan’s economy was severely constrained by factors beyond their control. The first chapter examines the role of development budgets and project planning. The second chapter studies the role of economic surveys and an independent currency. The third chapter examines the ways in which the ability to gather the data necessary to make budgetary projects influenced decision making, and the fourth chapter explores national income accounts and planning with growth targets.

Chapter one starts in 1946 and describes the creation of a centralized development planning process in late-colonial Sudan. Planning became an avenue for finance officials to assert their authority to supervise economic policy throughout the Anglo-Egyptian Sudan. Finance officials expanded their supervisory powers by mandating that all economic projects begun after 1946 needed to demonstrate that they would contribute to the economic development of the entire territory. In the process, finance officials were able to impose the idea that the Anglo-Egyptian Sudan was the principal unit of economic management.

Chapter two discusses the debates within the Government of Sudan during the years of transition to independence about establishing a Sudanese currency and about carrying out an economic survey to gather base-line economic data critical to the planning process. These discussions provided the occasion for finance officials to establish the international orientation of the Sudanese economy as well as to define the relationship between the central government and its provinces. Importantly, factors such as Sudan’s relationship to the sterling area limited the extent to which officials within the country could control how
the country aligned itself with its neighbors and what sources of foreign credit it could turn to in order to finance its economic development projects. Policymakers in Khartoum discovered that surveying was not only an important means of transmitting economic demands from the regions to the central government, but, that surveys could also be manipulated in order to prevent the articulation of new demands from the regions.

Chapter three focuses on budget forecasting and the ability of the state to project the price of cotton. The perceived ability of the state to make calculations about the future revenue of the Managil project promised budget surpluses that could be reliably forecast. On the other hand, development schemes that held out the possibility of spreading development regionally or diversifying the economy away from cotton were often ignored, because their projected returns were considered to be unknowable. The apparent reliability of the projections of the Managil Scheme’s future revenue estimates allowed politicians to mollify diverse constituencies which might otherwise have asked difficult questions regarding the structure of the Sudanese economy, and how the state’s limited supplies of capital were actually being invested. The projections made by planners began to lose their ability to inspire political confidence, however, when unexpected falls in the price of cotton between 1957 and 1958 made revenue projections appear less accurate. As a direct result, the political system became increasingly unstable. The loss of certainty in the future contributed to the fall of the first democratically-elected post-independence government in November 1958 and its replacement with a military dictatorship.

Chapter four describes the role that national income accounts played in making economic activity within the independent Sudan measureable in a manner that would allow the size of the Sudanese economy not only to be compared with other countries, but also showed how it changed over time. Economic growth for the Sudan as an aggregate was made visible. These calculations became an indicator by which to judge the success of a government and by proxy became an indicator of regime legitimacy. The increased investment in the state’s statistical capacity made it tempting for finance officials to stake a portion of the government’s legitimacy on achieving a particular growth rate. The race
for growth became a convenient justification for autocratic and expert top-down political decision-making. But, while growth may have helped the state justify itself in the eyes of Sudanese officials, it did very little to legitimate the regime with the broader Sudanese public. This was true even in prosperous regions such as Khartoum, which had benefited the most from the regime’s economic policies.

**Methods and Sources**

The project is based on original research conducted in the National Records Office in Khartoum, Sudan, as well as research in the United Kingdom, particularly the Sudan Archives in Durham, UK, where the personal papers of John Carmichael, the last British Permanent Under-Secretary of Finance and later Financial Adviser to the three governments directly following independence, are located. The internal decision-making process of the Department of Finance, which later became the Ministry of Finance and Economics, have been amplified by drawing on U.S. and British diplomatic reports and the Arabic and English historiography on Sudan. I have also incorporated records from international organizations, such as the International Monetary Fund and the International Bank of Reconstruction and Development, in order to explore questions about the international nature of development theory and practices.

Each type of source material has its own strengths and weaknesses, and writing a history which straddles the end of colonialism and the beginning of the post-colonial state has forced me to shift the weight I gave to particular types of sources as my dissertation progressed chronologically over time. The files classified under *Finance* within the National Records Office in Khartoum offer a wide view into the practical problems of selling cotton and the management of individual schemes for the entire period of my study; however, these files contained only intermittent detail about the plans, ambitions, and frustrations of senior colonial or post-colonial officials. However, in Durham I was fortunate to find ample personal files in which senior
colonial officials describe their decision-making process. While there were many overlapping sources for the period up to 1953, after that point, I was forced to rely primarily on the account of a single source, John Carmichael, for an idea of the types of discussions taking place at the most senior level within the Ministry of Finance. This reliance was particularly heavy during the period from 1954 until 1958. However, from Carmichael’s correspondence, it was possible to reconstruct in part, if not completely, policy debates between him and other leading officials within the department, particularly Hamza Mirghani Hamza. One of the sources I regret most not possessing are the personal papers of Sayyid Hamza Mirghani, who throughout, often reading between the lines of Carmichael’s frustrated replies, comes across as a creative economic policymaker. The danger with personal records, particularly when the records of only a few individuals are available, is that the writer becomes hostage to the interests and access of particular individuals. During the period from 1954 until 1958, I have tried to counter this dependence by relying heavily on the Arabic and English historiography and notes of the British Foreign Office. The administrative, political and economic history of the first few years of self-rule and independence in many ways remains the hardest to tell.

However, after the initial disorientation of independence subsides, and the new bureaucracy begins to reorient itself, the record becomes clearer. As international organizations became increasingly involved in Sudan after 1958, their archives provide a revealing source of information about the decision-making process of senior Sudanese officials. The records of the World Bank Group Archive provided vital exchanges with a wide variety of senior Sudanese economic officials, capturing their thoughts and demonstrating the kinds of constraints that they faced as they attempted to attract the funding needed for development schemes. After 1961, the
International Bank for Reconstruction and Development files become an increasingly useful place to find both Sudanese voices, and assessments of Sudanese projects.
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.\textsuperscript{47} 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.\textsuperscript{48}.

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

\textsuperscript{48} 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,” \textit{Prosperity and Upheaval: The World Economy, 1945-1980} (Berkeley, CA: The University of California Press, 1984) 32-42.
two sovereigns is one of the major themes of this 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. 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. 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 where political and economic authority

49 “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.

should be located. 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 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

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51 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?
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. 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.

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,

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52 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.
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.53

During the late 1940s and 1950s, however, the Department increasingly began to concern itself with the formulation of “national” economic policy. Senior officials within 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.54

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.\textsuperscript{55} 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 the amount of land under cotton cultivation, as world prices continued to decline, in order to make up for lost revenue.\textsuperscript{56} 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.\textsuperscript{57}

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


\textsuperscript{57} 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.

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

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.

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.

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
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 GBP\textsuperscript{60} 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.\textsuperscript{61} 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

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\textsuperscript{60} GBP=British Pounds

\textsuperscript{61} John Cummins, “War Inflation,” note, June 20, 1943, Finance Department, SAD, J.W. Cummins Collection 635/12/1-44.
export, continued to find ready markets. Sudan’s success in selling cotton, particularly certain types of high-quality cotton, meant that the damage done to the economy as a result of its adjustment to war needs was more limited than in many countries.62

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.63

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 scarce. The nightmare scenario which

62 “Sudan Cotton in Wartime. Financial Secretary’s Office,” note, 1943, SAD, J.W. Cummins Collection, 635/12/1-44.
63 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.
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.” 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.

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 Government of Sudan interpret general trends. The association represented

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64 John Cummins, “War Inflation,” note, June 20, 1943, Finance Department, SAD, J.W. Cummins Collection, 635/12/1-44.
65 “Statement by Financial Secretary, Sudan Government, Post-War Development.” SAD J.W. Cummins Collection, 635/14/1-39/.
66 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.
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 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.67

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

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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.”\(^{68}\) 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.\(^{69}\)

**The Political Environment Prior to Planning in 1946**

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

\(^{68}\) Ibid.

\(^{69}\) Daly, *Imperial Sudan* 303.
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.\(^{70}\) To 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.\(^{71}\) In response to the insecurity that they felt as a

\(^{70}\) 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 principle that sovereignty was something that would be negotiated by the imperial powers alone was reconfirmed. Daly, *Imperial Sudan* 57-58.

\(^{71}\) 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
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, began to advocate, if reluctantly at times, for an Anglo-Sudanese Sudan to replace the existing Anglo-Egyptian Sudan. 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. Despite the fact that the British 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.

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.

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.

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
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 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.

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 (Berkley, 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.
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. 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. 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.

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,

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75 Tignor, *Capitalism and Nationalism* 29 and 36.
76 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.
77 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.
remained a frontier of two divergent economies, as well as the numerous smaller local economies within its borders. Even as the value of Sudan’s exports 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. 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. Tensions about the international orientation of Khartoum’s monetary policy were further exacerbated by Egypt’s announcement that it would

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78 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.  
79 These figures were derived from Sudan Government, Annual Foreign Trade Reports in Beshai, Export Performance and Economic Development 11-12.  
80 A. L. Chick, letter to C. G. Davis on Sudan Sterling Balances, 14th November 1951, SAD, G.D. Lampen Collection 732/8/1-162.
leave the Sterling Convertibility Zone in 1947. 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 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. 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

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81 Tignor. *Capitalism and Nationalism* 36.
82 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.
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 development planning, designed to emulate the planning processes mandated for Britain’s official colonies under the Colonial Development and Welfare Act of 1940.83

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.84 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.85 The Development Priorities Committee, which was composed of the financial secretary, the civil secretary, the comptroller-

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.
84 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.84 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.
85 Sudan Government, Five Year Plan for Post-War Development (Khartoum, Sudan, 1946).
general of war supply, and the general manager of the Sudan Railways, was charged with prioritizing what would be included in the plan. In 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.86

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.87 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.88 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

86 Abdel Rahim Mirghani, Development Planning in the Sudan in the Sixties (Khartoum, Sudan: University of Khartoum Press, 1983) 8-9; Daly, Imperial Sudan 304.
87 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).
88 Sudan Government, Five Year Plan for Post-War Development 1.
persistent worries about inflation, the planners believed that a cautious increase in spending was justified by rapidly increasing revenue throughout the 1940s. 89

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. 90 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 ordinary budget. Deputy Financial Secretary A.L. Chick and his assistant John Carmichael were constantly being asked to supervise and comment on the priority

89 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/.
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.91 By the 1950s, the “national” territorial perspective had won out over the concepts of imperial and local economic management that had had the upper hand in the 1940s.92

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91 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.

92 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).
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.” Chick was articulating a planning perspective which defined the territory 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.” Officials within the Finance Department acknowledged that the

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

94 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/.
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.95

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.96 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,

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.


96 Transcript of Broadcast by Mr. A. E. Griffin, April 5 1943, SAD, R.J. Smith Collection, 498/6/1-66/.
as well as smaller irrigation works in the Gash Delta and in Northern Province.\textsuperscript{97} The Irrigation Department saw itself as the “water treasurer of the country.”\textsuperscript{98} 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.\textsuperscript{99}

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 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.\textsuperscript{100} 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

\textsuperscript{97} Transcript of Broadcast by Mr. A. E. Griffin, April 5 1943, SAD, R.J. Smith Collection, 498/6/1-66/.
\textsuperscript{98} Ibid.
\textsuperscript{99} 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/.
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 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.

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101 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.
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.\textsuperscript{102} Finance officials gradually came to 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.

\textsuperscript{102} “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.
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. The second policy was the establishment 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.

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 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.105

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.106 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

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106 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.
some parts of western Kordofan.\textsuperscript{107} In the ten years after 1939, the price of cotton increased five-fold.\textsuperscript{108} 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.\textsuperscript{109}

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.\textsuperscript{110} 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

\textsuperscript{107} D.C. Cumming, letter to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.
\textsuperscript{108} Ibid.
\textsuperscript{110} D.C. Cumming, circular to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.
their right to increase their investment in cotton cultivation. 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 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. 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

111 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.

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

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 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. The immediate provocation for these debates was how to justify


114 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.
the presence of the ever-increasing sums of money accumulating in the Nuba Mountains Cultivators’ Equalization Fund.\footnote{115} 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 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.\footnote{116}

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

\footnote{115} 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.  
\footnote{116} 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/.
cultivators. One justification for continuously paying below-market prices to cultivators was to spend the saved funds on development. 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 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.”

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

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117 D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2.  
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 longer be forced to contribute to the Reserve Account. Instead they should be free to spend their own money as they wished. 119 Another idea floated briefly was to allow cultivators to levy their own voluntary taxes on future cotton crops in order to fund development.120

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.121 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

119 Ibid.
120 Ibid.
121 D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.
the use of mechanical excavators to create hafirs allowed for the relatively inexpensive opening of additional land.122

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.123 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.124

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.”125 Their willingness to abandon the idea of trusteeship and separate development for the Nuba peoples was related to an acknowledgement that young Nuba

122 D.C. Cumming, letter to Civil Secretary, December 27 1949, NRO Finance 3-A/42/1/2/.
123 D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2/.
124 Ibid.
125 “Minutes of Nuba Mountains Economic Development Conference at Delami,” January 30 and 31 1950, NRO Finance 3-A/42/1/2./.
were leaving their homes to work for wages in cities such as Khartoum. 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. 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 increasingly demanded that local officials

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126 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.

127 D.C. Cumming, letter to Director of Agriculture, November 20 1949, NRO Finance 3-A/42/1/2.
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.128

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 different possible locations of the headquarters of the Equatoria Projects Scheme were enmeshed in discussions

128 J. Smith, circular, “Minutes of Provisional Working Committee,” April 1 1946, NRO Fin 3-A/42/2/5/.
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.\textsuperscript{129}

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 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

\textsuperscript{129} For a history of the Zande Scheme from its inception in 1945 until the mid 1950s, see: Conrad C. Reining, \textit{The Zande Scheme} (Evanston, IL: Northwestern University Press, 1966).
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.130

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 Tothill, a prominent colonial agricultural expert argued that communities at different stages of economic development must be allowed to progress in isolation. Tothill 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 Tothill 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-sufficiency.”131 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.”

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

131 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/.
Much of the Sudan Political Service subscribed to the idea that without protecting particular populations from the market “social emergence” was impossible.\textsuperscript{132}

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.

\textbf{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 transportation infrastructure and ensure that the infrastructure directed development to specific regions.\textsuperscript{133} The core of the Sudanese state’s

\textsuperscript{132} Ibid.

\textsuperscript{133} For a discussion of the role of transportation in “colonial economics”, see: S. Herbert Frankel, \textit{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 \textit{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, \textit{The Dhein Massacre: Slavery in the Sudan} (London, UK: Sudan Relief and Rehabilitation Association, 1987) 16-20.
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. The Sudan Railways was not merely a railway operator; it also operated other installations vital for transporting people and goods throughout Sudan. The Sudan Railway’s license allowed it to monopolize steamship traffic along the Nile, particularly the stretch from Juba to Khartoum. However, this route also attracted the interest of private operators, who challenged the justification of the Railway’s internal waterway shipping monopoly.

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

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134 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.

135 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.


136 Minute 195, “Application to Run Private Steamer and Barges on Southern Nile Route,” April 22 1941, NRO Finance 3-A/25/1/2/.
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, submitted a petition in 1941 to develop a 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.

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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.\(^{139}\)

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 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.\(^{140}\) 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.\textsuperscript{141}

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 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.\textsuperscript{142} 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.\textsuperscript{143}

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

\textsuperscript{141} Ibid.
\textsuperscript{143} S. H. Brookfield, letter to GM, Sudan Railways, September 30 1946, NRO Finance 3-A/25/1/2/.
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.\textsuperscript{144} 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 privileges.\textsuperscript{145} 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

\textsuperscript{144} 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./.

\textsuperscript{145} “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./.
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 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.\textsuperscript{146} 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**

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. 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

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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.
Chapter Two: The Sudanese Currency and Economic Surveying: Symbols of Authority and Legitimacy, 1951 to 1954

Chapter 1 describes how finance officials led a series of inter-departmental debates, which established that government economic policy should focus on the development of the Anglo-Egyptian Sudan as a single economic unit. By 1951, as a result of these debates, planners and finance officials had begun to execute economic policy with the financial interest of Sudan, as a discreet unit of accounting, foremost in their minds while de-emphasizing larger imperial and more parochial priorities.

By 1951, the principle unit used within the Department of Finance by officials crafting and evaluating economic policies was the Anglo-Egyptian Sudan. But, as long as the political future of the territory remained uncertain, finance officials hesitated to craft policies that might publically reveal their preferences regarding the future of Sudan. Consequentially, during the early years of the 1950s, finance officials were occupied with, but unable to answer, questions regarding the future of Sudan’s relationship with its international trading partners. The problem of defining the future of the state’s relationships with its colonial and future trading partners was bound up in discussions about introducing a new currency. Just as finance officials confronted questions about the territory’s future external economic relations, they were also forced to address questions about the economic relationship between the various regions of Sudan. Debates within the government about how to conduct an economic survey reflected uncertainty.

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148 These debates are dealt with in Ch. 1.
149 Senior finance officials justified this transition by arguing that increased economic productivity was the relevant yardstick against which to evaluate competing economic or development proposals. Government officials expected to measure economic productivity either at the level of the Sudanese territory as an increase in the total amount of exportable commodities produced or revenue generated.
about how the different parts of Sudan should relate to one another.

Finance officials began to find a resolution to these discussions in 1954, as the political future of the Sudanese state came into focus. This focus gave finance officials an incentive to use instruments such as an independent currency to depict a unified Sudanese economy. The recognition of a unified and independent economy carried over to the years after 1954 and allowed politicians and officials throughout the Sudanese government to define and contest the relationship of Sudan’s economy to those of other economies. At the same time, regional economic surveys carried out by agricultural experts and local administrators were increasingly ignored by finance officials as they designed national budgets. As a result, it became difficult for finance officials to visualize alternative ways of organizing the economic relationships between the different regions of Sudan.\footnote{For more on the idea of representing the economy, see Daniel Speich, “The Use of Global Abstractions: National Income Accounting in the Period of Imperial Decline,” \textit{Journal of Global History} 6 (2011): 7-28; “In the twentieth century, the time span on which this book is focused, the economy became arguably the most important set of practices for organizing what appears as the separations of the real world from its representations, of things from their values, of actions from intentions, of an object world from the realm of ideas.” Timothy Mitchell, \textit{The Rule of Experts: Egypt, Techno-Politics, Modernity} (Berkeley, CA: University of California Press, 2002) 3-7.} This shift occurred as part of a commitment by finance officials to accounting as a framework within which to make decisions. A separate Sudanese currency made it easier to estimate, visualize and compare the impact of particular policy choices over time; whereas the largely qualitative information being produced in regional surveys was not easily accommodated in the financial accounts and budgets of finance officials.\footnote{Bruno Latour, “Visualisation and Cognition: Drawing Things Together,” \textit{Knowledge and Society Studies in the Sociology of Culture Past and Present} 6 (1986): 1-40.}

Chapter 3 analyzes the years 1954-1958 and examines the constraints that the competition between Britain and Egypt for regional influence, combined with highly unstable commodity prices, placed on Sudan's economic development strategies and political decision-
making. During the second half of the 1950s, the case of Sudan is emblematic of the difficulties that finance officials in many postcolonial countries confronted when attempting to plan the future of their small commodity producing economies.

The body of this chapter explores why support for an independent currency grew within the Department of Finance between 1951 and 1954 while support for the economic surveying of the Sudanese economy waned. In order to explain these shifts it is necessary to reconstruct the multitude of factors which altered the worldview of the finance officials, who were largely responsible for articulating economic policy. The factors external to the expertise of the finance officials, which impacted their worldview, ranged from large-scale shifts in Britain's position within the world economy to the fate of the pensions of British subjects serving in the Anglo-Egyptian Sudan as government officials. In addition there were shifting ideas about how to structure a Sudanese currency and debates within the bureaucracy concerning how forecasts should be written in economic surveys. The inevitably diffuse and divergent responsibilities of officials divided between the departments of Agriculture, Finance or local administration ensured that the opinions of officials within the Government of Sudan about the most efficacious manner of designing policy varied widely.

A first step in understanding the shifts in financial policy that occurred between 1951 and 1954 is to place these shifts within the context of changes within the Department of Finance itself. The willingness to begin work on an independent currency and to downplay economic surveys (to identify new potential projects) in favor of investments in existing familiar projects, beginning in late 1953 and 1954, coincided with not only greater clarity about the future of Sudan, but also with personnel changes within the Department of Finance. The two main personalities within the Finance Department during the period between 1951 and 1954 were the
Finance Secretary Arthur L. Chick and his principal deputy John Carmichael. In 1953 Chick retired, and he was replaced by Carmichael who became the Acting Finance Secretary. He received an acting appointment in recognition of the fact that the first elections in Sudan were soon to be held, leading to self-government in 1954, and the appointment of Hammad Tawfik as Minister of Finance.  

The 1954 appointment of Tawfik as Minister of Finance was the culmination of a decade of change in the management of finance in Khartoum. During the Second World War, Finance secretaries began to enjoy increased autonomy both as a result of the shifting relationship between Khartoum and London and a greater recognition of the technical expertise involved in finance. The manner in which both Chick and his predecessor Sir Eddington Miller, who served from 1944-1948, were appointed was a reflection of this increased autonomy. Unlike earlier Finance Secretaries, both men were appointed directly by the Governor General and his council in Khartoum without first having their appointments ratified by the British Treasury. Therefore it was easier for both men to define their mandate clearly as the financial interest of Sudan. Chick, already near the end of his career in 1951, and acutely aware of the sensitivity of the negotiations about the fate of Sudan, strove to define his expertise as technical and therefore avoided decisions that might infuriate British, Egyptian or Sudanese politicians.  

By 1954, Carmichael and his Sudanese peers such as Hamza Mirghani Hamza, Mamoun Beheiry, and Mansour Maghoub during the second part of the 1950s. See: Mamoun Beheiry, *Glimpses from the Life of a Sudanese Public Servant* (Omdurman, Sudan: M. O. Besheer Center for Sudanese Studies, 2003).  

Chick was at the end of his career and could look forward to a secure retirement. Daly, *Imperial Sudan* 247.
Beheiry and Mansour Mahgoub were all serving directly at the pleasure of Sudanese politicians and elected ministers.\(^{154}\) This dynamic forced finance officials to interact with Sudan’s political parties and factions and these entities’ views about future of the Sudanese state. Some of the autonomy, which had encased the British subjects who staffed the upper ranks of bureaucracy in the decade after the Second World War, was lost. Civilian power, which had previously been divided among the members of the Governor General’s Council, particularly a Civil Secretary, Legal Secretary and a Finance Secretary, was now placed into the hands of politicians validated in elections contested by mass political parties. Whereas the basic building block of colonial power in the Anglo-Egyptian Sudan was the local administrator, who legitimated his authority by representing specific, often rural constituencies, the mass electoral parties were dominated by sectarian leaders, large landowners and the educated. The party leadership was concentrated in the major cities and they relied upon individualized patron-client networks to extend the reach of their parties into the rural areas.\(^{155}\) Because personalized networks of patronage replaced the

\(^{154}\) Carmichael was influenced by financial and economic arguments when he advocated for particular policies, but he was also immersed in the politics of a new state attempting to secure its future. As a British foreigner even as he retained a high rank within the Department of Finance his personal letters in 1955 began to express quite a large degree of anxiety as Carmichael struggled to adjust to his new position as someone unused to needing to craft policies to suit the interest of his Sudanese political masters. Carmichael wrote to the Deputy Chairman of the British Bank of the Middle East when asked about the moral of the civil servants that “I must sever connection [with the Ministry] the last six weeks have been unbearable...urgent matters receiving no attention.” Letter. From J.C. to G.C.R. Ely, “Sudanese seem to lose all sense of courtesy reveling in the chucking out of Governor General,” December 26, 1955 SAD G/S 1166/4/6/ Carmichael, had a vested interest in a viable Sudanese state not only as a contract employee—he remained employed by the independent state until the early 1960s—but also because his pension, like that of many of the younger officers of the Sudan Political Service, was guaranteed by the governments of Sudan not Britain. See: Daly, *Imperial Sudan* 247; Note. J. Carmichael, “Financial Assistance from HMG towards Economic Development,” October 19, 1953 SAD 732/8/1-162; Letter. From Abdel Magid Ahmed to J. Carmichael, “Thank You for Letter of 19th Nov.” December 21, 1958 SAD G/S 1166/2/4/

\(^{155}\) On the extent to which British rule even during the era of decolonization continued to be based on bargains between local administrators and notables, see: Chris Vaughan, “Reinventing
formal hierarchy of the bureaucracy as a means of relaying political information, rural preferences often reached party leaders in an even more distorted form than they had during the colonial period.\textsuperscript{156}

The financial rationales of officials cannot easily be divorced from their politics; however, the extent to which technical matters shaped the ways in which officials perceived their interests has frequently been overlooked. The focus here is on financial and economic matters, because the battle to define the correct stewardship of the territory's resources was one of the areas where international actors, local politicians, as well as colonial officials influenced the debate taking place in Sudan over the proper role of government. All the parties agreed about the custodial responsibility of the state to protect the resources of the people. In fact much of the debate during the period of decolonization centered on questions about who would be the better steward of the people's resources. The technical nature of many of the discussions allowed debate to continue without it becoming overburdened by partisan slogans.\textsuperscript{157}

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\textsuperscript{156} Sara Berry, writing about Asante chiefs, argues that financial disputes often became a part of wider “struggles to define and exercise legitimate authority in a society both transformed and destabilized by the imposition of colonial rule.” In the case of Sudan in the late 1940s and early 1950s, a similar argument could be made about the British finance officials in Khartoum. These officeholders became intimately involved in financial and economic disputes not only for reasons that were intrinsic to the disputes themselves, but also in order to define the boundaries of their own authority.

Sara Berry, “Unsettled Accounts: Stool Debts, Chieftaincy Disputes and the Question of Asante

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In this context, the hesitation of finance officials such as Chick to act decisively in shaping policy was a result of the novelty for economic policymakers in Khartoum of confronting questions about Sudan’s political future and identity. Sudan’s political and economic destiny had been decided outside of its borders for decades. But, Egypt’s decision in October 1951 to unilaterally abrogate the 1899 Condominium Agreement and the 1936 Anglo-Egyptian Treaty brought decades of dual British and Egyptian juridical sovereignty over the territory of Sudan to an abrupt end. During the late 1940s, in order to counter Egyptian demands for a greater role in the governing of Sudan and Sudanese demands for representation, British officials promised self-determination for the Sudanese. Now in 1951, Egypt formally renounced its right to govern Sudan and declared that the Sudanese had the right to determine their own future. A legacy of dual sovereignty and regional autonomy meant that the fight was not going to be a simple battle between the colonizers and the colonized. Instead, the struggle

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158 Negotiations over how to administer and define the sovereignty of both partners to the Condominium Britain and Egypt had been going on between officials of the two governments in earnest since the signing of the Bevin-Sidky Protocol in 1946. However, the two sides were unable to agree on the terms of the evacuation of British troops from the Canal Zone, the meaning of Egyptian sovereignty over Sudan, and the place Egypt would play within Britain’s broader Middle East defense aims. Wm. Roger Louis, *The British Empire in the Middle East, 1945-1951: Arab Nationalism, the United States and Postwar Imperialism* (New York, NY: Oxford University Press, 1984) 249-253 and 262-263; see also the discussion in K. D. D. Henderson, *Sudan Republic* (New York, NY: Praeger, 1966) 100.

159 Powell discusses the relationship between Egypt and Sudan in the late 19th century and of how Egypt's mastery of Sudan played a central role in Egypt's conception of itself as a modern nation while under British domination. See the following quote: “The outlook of the colonized colonizer began to take shape in the last decade of Muhammad 'Ali's reign and emerged full blown by the 1870s. Nationalists developed these themes throughout the rest of the nineteenth century but especially from 1898-1899, the period of the British reconquest of Sudan. By 1919 there was a well-established slogan that called for “the unity of the Nile Valley.” …most of the nationalist examined in this study agreed that what made the Egyptian struggle for independence irrepressible was Egypt's unique claim to mastery over Sudan.” See: Eve Troutt Powell, *A Different Shade of Colonialism: Egypt, Britain, and the mastery of Sudan* (Berkeley, CA: University of California Press, 2003) 7.
for self-determination fractured into a multi-party contest between those who supported an independent Sudanese state and those who believed that Sudan could best realize its independence as part of the Egyptian state. Others rejected the idea of a single Sudanese state in favor of various schemes of regional autonomy or independence.\(^{160}\) Officials charged with governing the territory of Sudan had not confronted questions about the sovereignty of the state since the Egyptian army forced the surrender of the Funj Sultan at Sennar on the 12\(^{th}\) of June 1821.\(^{161}\) In addition, for much of the history of the modern Sudanese state, large parts of what during the 1950s was considered Sudan, enjoyed high degrees of autonomy and independence.\(^{162}\)

Therefore in 1951, as finance officials sat down to write the second economic plan for their territory, they were forced to reckon with the reality of a looming political and economic

\(^{160}\) Martin Daly, *Imperial Sudan* (New York, NY: Cambridge University Press, 2003) 243-280. For more on the background of the sectional conflict within the nationalist movement, see: Afaf Abdel Majid Abu Hasabu, *Factional Conflict in the Sudanese Nationalist Movement* (Khartoum, Sudan: Graduate College, University of Khartoum, 1985).

\(^{161}\) The incorporation of the Sultanate of Sennar and the defeat and incorporation of the Shayqiyya and Ja’aliyya makks by 1821 marked the initial creation of the *Turkiyya* or the Ottoman-Egyptian state, which would become the basis for the Anglo-Egyptian Condominium in 1899. The conquest of the territory that would formally become the Anglo-Egyptian Sudan by the time of its independence in 1956 was a process that took decades to accomplish and was often marked by reversals. Rather the different governments which occupied the new capital city of Khartoum, founded in 1825, found themselves occupied with the slow conquest of new territory and the balancing of shared sovereignty between a neighboring Egyptian state, which throughout the nineteenth and twentieth centuries suffered from compromised sovereignty, a distant and enfeebled Ottoman empire and an often neglectful if dominant Britain. See: Robert O. Collins, *A History of Modern Sudan* (New York, NY: Cambridge University Press, 2008) 10-12.

\(^{162}\) The Mahdist state which expelled the Turkiyya or the Ottoman-Egyptian state from Sudan during the years 1885-1898 is of course the most prominent example of a resistance to foreign rule, and a challenge to the colonial state. However, there were many regional challenges as well to a state led from Khartoum. One of the most prominent was the independent Sultanate of Darfur led by Ali Dinar after the fall of the Mahdi’s army until 1916. For an informed discussion of this state and in particular its attempts to reorient the region of western Sudan away from the Nile valley and towards Cyrenaica (Eastern Libya) see Jay Spaulding and Lidwien Kapteijns, *An Islamic Alliance: Ali Dinar and the Sanusiyya, 1906-1916* (Evanstown, IL: Northwestern University Press, 1994) 1-49.
transition from a dual colony of Britain and Egypt to something that remained undefined. This uncertainty made it difficult for finance officials to decide how the state should relate economically either to its international peers or to its constituent parts. Thus, while it might be assumed that as political independence loomed, finance officials and others charged with managing the Sudanese economy would be impatient to create the institutions, such as surveys, development budgets and a separate currency, necessary to represent Sudan's economy as autonomous and independent, they were not. Instead, finance officials hesitated.

This hesitation lasted until 1954. In 1954, the first government formed by Sudanese politicians took decisive steps towards introducing a Sudanese currency, and in the process the government began to define the relationship of the Sudanese economy to its international peers. That same year, finance officials completed a new budget, which set the terms of how the various parts of the Sudanese economy would relate to one another. The calculations that provided the rational for the budget did not take into account the results from economic surveys of various parts of the Sudanese economy.

Traditionally, studies of the economic history of Sudan have focused on the organization and management of the country’s most capital intensive agricultural schemes. Agricultural experts such as Arthur Gaitskell, the British manager of the Gezira Scheme during the 1940s, and John D. Tothill, the visionary behind the massive Zande Scheme, epitomized the

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development model championed by agricultural departments throughout the empire. Both men imagined the creation of massive plantation-style agricultural schemes. These plantation schemes were self-contained, uniform, grid-like projects whose planners strove to create homogenous environments in which the social, political and economic transformation of each project's population would occur. The state would assert its authority by creating workers and citizens at the same time that it tightly regulated the production of commodities such as cotton.

The assumption that the late-colonial state hoped to uniformly develop its territory is captivating, but in practice, a better metaphor for how finance officials in Khartoum imagined the development of the Sudanese economy was to see it as made up of discontinuous sites of investment, surrounded by large swaths of territory that finance officials did not possess the economic potential to make development worthwhile. Describing a state that was at best lukewarm in its ambitions to pursue development, not simply ineffectual in practice, contrasts

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with much of the literature on the “Second Colonial Occupation,” which argues that a homogenizing developmental state had become archetypical by the early 1940s in colonial Africa and throughout much of the decolonizing world. Instead political and financial priorities prevented officials in Khartoum from striving to create the institutions necessary to gather economic data from throughout the Anglo-Egyptian Sudan.

While many agricultural experts advocated for the continuous expansion of the state’s gaze and the increased production of economic knowledge, finance officials such as Chick and Carmichael were hesitant to invest heavily in the development of an infrastructure independent of the state’s plantation agriculture schemes. Accountants and auditors by training, they were primarily concerned with calculating the cost and potential return on an investment in specific projects. The focus on cost and returns made them keen to wall off particular sites of investment from the rest of the country, and not to spend money preparing far flung regions of the country for economic surveillance.

The support that finance officials gave to the development and construction of new institutions of economics surveillance was related to the needs of state building. Similarly

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finance officials expected that introducing an independent currency would allow officials to increase their surveillance of economic activity taking place in Sudan. Of course by 1954 officials had come to see an independent currency as a necessity in order to legitimate the Sudanese state. However in a territory such as Sudan where political authority and institutions were centralized, investing in a manner that would spur regional development was not considered a priority. In the years after 1954 investing in expanding cotton production on plantation style estates became a priority for finance officials in order to increase the country's reserves of foreign currency. Similarly the ever more intricate plans produced through a formalized planning process turned into powerful symbols of prestige, sovereignty and power in their own right.

The Sudanese Currency Debate

The question of whether and how to create an independent Sudanese currency arose as but one small part of the larger problem of how to organize the international economic system in the wake of declining British financial predominance. In the case of the Anglo-Egyptian Sudan, a political structure that by the early 1950s appeared increasingly brittle, the question was how and on what terms the territory of Sudan would be integrated into the world economy. When officials debated the intricacies of currency policy, they were in reality discussing the question of whether to align Sudan's economy with Britain, Egypt, and the United States or whether Sudan should attempt to stand alone.

The Historical Context: Weakening of the British Economic System

During the interwar period, an economically weakened Britain gradually began to increase the preferences it gave to its trading partners. The most important element of imperial
coordination was the creation of the sterling area in September 1931. By 1939, the threat of Britain’s looming insolvency compelled imperial officials to transform the Sterling Area from a trading bloc based on ad hoc arrangements into a formally coordinated common exchange control mechanism, directed principally against the dollar area but also against countries such as France and Poland. Individual members surrendered control of the dollars they earned through bilateral trade and consequentially, large balances owed to member states in possession of positive balances of payment with the dollar area were built up in London. At the same time, the government in Khartoum reinforced its position as the dominant economic actor within the territory of Sudan, even as it remained risk averse.

British restrictions on trade and the monetary policy of members of the sterling area did not end after the Second World War. Instead these restrictions remained in place as the difficulty of reconstructing the British economy became apparent to officials in London. The

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173 The Sterling Area was created in September 1931 when Britain formally abandoned the Gold Standard. Before 1931, sterling was used to facilitate international monetary transactions not only between Britain’s colonial dependencies and its dominions (except Canada), but also countries such as Argentina, Iraq, Iran, Japan, Thailand, Ireland and Portugal. After Britain left the Gold Standard, British officials attempted to continue to position sterling as the standard against which other currencies would be measured. When Britain created the Sterling Area, the colonial dependencies, the dominions with the exception of Canada, Ireland, Iceland, Sudan, Egypt, Iraq, and Portugal were the original members. Allister Hinds, *Britain’s Sterling Colonial Policy and Decolonization, 1939-1958* (Westport, CT: Greenwood Press, 2001) 8-11.


175 The Dollar Area was the group of countries centered on the United States, which used dollars to facilitate international transactions. There was a third bloc of countries, mostly in Europe, centered on France that remained committed to the Gold Standard. Hinds, *Britain’s Sterling* 11.


177 In particular there was a concern that the withdrawal of Lend-Lease Aid by the United States might lead to the abrupt collapse of the British economy. Alec Cairncross, *Years of Recovery: British Economic Policy, 1945-1951* (New York, NY:
British system of managed trade could succeed, “as long as sterling was internationally available at a time when the dollar was scarce, countries which were short of hard currency would import vital raw materials from the British Empire.”

For instance, in 1947 and 1948, British Africa’s exports to Western Europe increased by 30%. Yet increasingly, British industry was incapable of competitively supplying some members of the sterling area with all of the capital goods they desired. This impacted those states that wished to pursue their own industrialization policies. Consequently, these countries began to look elsewhere, specifically to the dollar area, for vital imports, and as a result, individual member states began to seek greater control over their own sterling reserves. Because most of the members of the sterling area traded with one another, discrimination against trade with dollar countries did not drive most countries out of the sterling area, unless there were political reasons also involved, as in the case with Egypt.

_Egypt's Exit from the Sterling Area_

Political, not economic pressure put Sudan’s place in the sterling area on the agenda within government circles in Her Majesty's Treasury and the Bank of England, and consequentially in Khartoum and Cairo. London's concern forced the Government of Sudan to pay attention. After 1945, Sudanese politics was internally factionalized, and outwardly divided

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179 The desire of individual countries to build up their reserves of dollars limited the effectiveness of the sterling area as a trading zone. Selling sterling in favor of dollars also led to a series of crises in 1947, 1949 and 1951, which called into question the pound’s role as an international reserve currency. Cairncross, _Years of Recovery_ 121-130. Hinds points out the American pressure forced Britain to attempt to reduce its overall sterling liabilities at a time when they were quickly increasing, due to rising commodity prices, and when the weakness of the British economy in general meant that any effort to liberalize access to colonial sterling reserves would have jeopardized the standing of the British pound, see: Allister E. Hinds, “Imperial Policy and Colonial Sterling Balances, 1943-1956,” _The Journal of Imperial and Commonwealth History_, 19:1 (1991): 24-25.
over the ideal future relationship between Sudan, Egypt and Britain. Nevertheless, the conflict began outside of the borders of the Anglo-Egyptian Sudan when Egypt, like South Africa and Canada earlier, calculated that its economic future lay outside of the sterling area. Faced with mounting pressure from the United States, British officials attempted to return sterling to convertibility with the dollar, but they were confronted with repeated difficulties. In 1947, Britain returned to full convertibility with American assistance, but quickly ran into a foreign currency reserve crisis caused by the great demand for dollars. The result was a retreat to the inconvertibility of sterling. Britain’s dependent colonies, such as the Gold Coast, Nigeria, Kenya and Malaya, had no choice about their membership in the sterling area. However, the dominions and other countries over which Britain exerted informal commercial or political influence, such as Australia, New Zealand, India, Iraq and Egypt bilaterally negotiated their membership in the common dollar pool and trade preference regime. The surplus availability of pound sterling

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180 For instance in 1945 an “All Parties Committee” within the Graduates Congress attempted to unite the pro-Unity with Egypt factions along with the pro-Independence factions and issue a set of the basic principles of Sudanese nationalism. They agreed upon the following: the establishment of a free and democratic Sudanese government in union with Egypt and alliance with Britain. Second, a governing committee composed of equal amounts of representatives from the Condominium government and the enlightened elements of the Sudanese educated class. Third, restrictions on press freedoms and rights of assembly should be written in accordance with democratic principles. However, splits immediately resurfaced when the President of the Graduates Congress Al-Azhari argued that “union” should mean Union under the Egyptian crown. Most of the other parties, particularly the important Umma party resented having the meaning of Union prejudiced before Sudan had won its independence. Afaf Abdel Majid Abu Hasabu, *Factional Conflict in the Sudanese Nationalist Movement, 1918-1948* (Khartoum, Sudan: Graduate College Publications, University of Khartoum, 1985) 112-119.


182 Two other currency crises occurred in 1949 and in 1951-1952. The size of Britain’s debts made it impossible for Britain to service its loans and pay for its massive trade imbalances in dollars. Therefore Britain was forced to adopt a system of dollar rationing. Britain had contracted huge debts not only to the United States, which extracted a high price for its support
and the great demand for American dollars was a cause of great dissatisfaction within Britain's sphere of influence. Once Egypt left the sterling area in 1947, finance officials in Khartoum were obligated to follow suit, because they employed Egypt's currency. However, the pattern of Sudan’s exports was such that officials in Khartoum wanted to avoid any potential hindrance in their access to sterling area markets and therefore would have preferred to remain within the sterling area.

However, clarity did not immediately follow Egypt’s departure from the sterling area. British officials initially tried to downplay the significance of its withdrawal: The Deputy Governor of the Bank of England wrote that Egypt’s departure would not detract from Egypt’s remaining a member of the sterling area in the broader sense “of maintaining the long-standing financial relations with the UK, of holding external reserves in sterling, and of using sterling machinery for financial settlements in other countries.” In addition, there was an informal agreement that Sudan’s foreign reserve position would be supported by Britain so as not to increase the burden on Egypt. The main effect of Egypt’s withdrawal from the sterling area was that its ability to draw on the sterling area dollar pool was severely restricted. Egyptian officials and politicians had initially hoped that by leaving the sterling area exchange control mechanism that they would be entitled to access their dollar reserves held in London without the prior approval of British officials. The Bank of England and the British Treasury, however, refused to concede on this point.

during its lend-lease program, but also to the other members of its formal and informal empire. By the end of the war Britain owed debts that amounted to approximately seven times the value of its total dollar and gold reserves.


The structure of the Anglo-Egyptian Sudan's financial institutions made Khartoum's involvement in disputes between Britain and Egypt inevitable. Starting in 1901, the National Bank of Egypt possessed the charter to issue the legal tender not only of Egypt but also of Sudan.\textsuperscript{184} It also managed Sudan’s foreign exchange reserves.\textsuperscript{185} The National Bank of Egypt (NBE) was the primary banker for both the Egyptian Government and the Government of Sudan. However, after World War II, the majority of Sudan’s sterling reserves, like Egypt’s, were held in exchange control accounts based in London.\textsuperscript{186} All excess sterling had to be sold to these accounts.\textsuperscript{187} Moves by Egyptian officials in the early 1950s to increase the independence of the NBE, amidst ongoing concerns about Egypt's access to its sterling reserves, raised considerable alarm amongst finance officials in London. Consequently, proposals for a Sudanese currency arose as a small part of a wider struggle to define the economic relationships within Britain's informal empire.

\textit{An Overview of the Sudanese Currency Dispute}

Officials within the Department of Finance based in Khartoum, such as Finance Secretary Chick and his deputy Carmichael, were not theorists. They were not preoccupied by how to

\begin{itemize}
  \item NBE notes were made legal tender throughout Sudan by the Notes of the National Bank of Egypt Order in 1914. Letter. From A. L. Chick to C. G. Davis, “Sudan Sterling Balances,” October 20, 1951, SAD 732/8/1-162 G. D. Lampen.
  \item “Note on Investment Policy,” SAD G//S 1166/3/1/
\end{itemize}
create a new state or to reform the imperial economy in the abstract. Instead, like bureaucrats everywhere, they were preoccupied with the issues and problems which crowded their desks, such as the minutiae of budgeting and the supervision of government accounts.\(^\text{188}\) Despite primarily reacting to events, the decisions of finance officials in Khartoum were decisive in shaping the structure of the new Sudanese state.

In 1951 one problem which began to appear on Chick's desk was whether it was desirable for Khartoum to continue using Egypt's currency. The debate about whether or not Sudan should have its own currency was intrinsically bound up with questions about how the Sudanese economy would be linked to the economies of other states in the future, because membership in particular currency blocs influenced trading patterns. In 1951 an immediate impetus of this debate was the growing economic tension between Egypt and Britain.

As officials in Khartoum debated whether to support an independent Sudanese currency, and then how to support such a currency, they were actually confronting larger questions about how a potentially independent Sudan would relate to its two former colonial powers. Despite asserting their authority to plan for the Anglo-Egyptian Sudan, officials in the Finance Department in Khartoum found it politically and economically expedient to leave their economic relationships with Britain and Egypt ambiguous. The result was that far from being proactive in defining the independence of the Sudanese economy, during the early 1950s, finance officials actually stalled that process.

Until self-governance was achieved in 1954, finance officials in Khartoum were content to leave questions about Sudan’s currency unsettled, preserving Sudan’s ambiguous economic

\(^{188}\) Within is an extended discussion of the backgrounds and cultural characteristics of the British and Sudanese officials who staffed the Condominium government. Francis Mading Deng and M. W. Daly, *Bonds of Silk: The Human Factor in the British Administration of Sudan* (East Lansing, MI: Michigan State University Press, 1989).
relationship with both Egypt and Britain, despite the need to employ ad hoc agreements allowing Khartoum to occupy a status outside of the sterling area but with some of the privileges of membership. Officials in Khartoum preferred political flexibility to economic clarity. After 1954, when it was decided that by the time of independence Sudan would need its own currency, policymakers within the finance department were committed to separating the Sudanese economy from the Egyptian economy, breaking the currency link. In political terms, an independent Sudanese currency would legitimate the independence of the state, allowing Sudan to become a full member of international financial institutions such as the International Bank for Reconstruction and Development and the International Monetary Fund.

In 1955, Sudanese officials wanted to create an independent currency, officially within the sterling area. Political factionalism within Sudan, which was divided between those who supported Britain and those who supported Egypt, prevented such a definitive move at the time. Instead, Sudanese officials were left in limbo for several more years, negotiating year-by-year, ad hoc agreements with the Bank of England to be treated as though they were in the sterling area, even as they officially remained outside of the area. Though a Sudanese currency was finally announced in 1957, it would take until 1958 for an agreement between Britain and Egypt to be worked out providing the financial cover to make an independent Sudanese currency a reality.\(^ {189} \)

After 1954, even as political independence gradually became a reality, navigating the international implications of Khartoum's economic strategy remained difficult. As Sudanese officials tried to orient the economy, they found that the politics of the Cold War meant that they were unable to make clear decisions about questions such as the economic alignment of the

\(^ {189} \) In part this section benefits from correspondence with Frank J. Kennedy of the London School of Economics and Political Science, Department of Economic History. July 4, 2012.
independent Sudan with Britain or Egypt and consequentially from which sources to seek foreign aid and where to look for trading partners.

*The Creation of the Egyptian Central Bank and the Currency Dispute: 1951-1953*

Discussions about the creation of a Sudanese currency began in 1951. The background of this debate was the struggle between Britain and Egypt over control of Egypt’s sterling balances. While Britain acknowledged the vast debt that it owed Egypt as a result of the war, it insisted that it should control the rate at which Egypt was allowed to access its credit. During the immediate postwar years, an agreement for Egypt to actively participate in managing its sterling accounts was not reached.\(^{190}\)

During the 1940s officials in London and Khartoum assumed that they would be able to muddle through the dispute over Egypt's sterling reserves. However, the prospect of a shift in the structure of the NBE's management in 1951 meant that officials in London felt the issue of Sudan's monetary relationship to Egypt had to be resolved. The first concern was to define on what terms it would be possible to access Sudan’s sterling reserves, which were held in London, and whether those reserves could be distinguished and released separately from Egypt’s sterling reserves.\(^{191}\) At stake in these discussions were the terms under which Egypt’s own reserves would be released by Britain, and Sudan’s future relationship with Egypt.\(^{192}\)

These seemingly technical discussions were already charged as a result of Egyptian feelings of economic exploitation, but to further complicate matters they took place against the backdrop of increasingly violent confrontations between British forces located within the Suez

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\(^{190}\) Bank of England officials were concerned by the absence of exchange controls in Egypt. Fforde, *The Bank of England* 114-117.

\(^{191}\) Letter. J. A. Cook to The Finance Secretary, November 26, 1949, SAD 732/8/1-162.

\(^{192}\) Foreign Office Minute. From Mr. Stewart, June 27, 1950, *The National Archives in Kew Gardens, UK* (TNA) FO 371/80387
Canal zone and the irregular forces of Egyptian liberation groups during 1951. These confrontations reflected the souring of the Anglo-Egyptian relationship, and gave rise to long dismissed fears amongst some British officials and business interests that their country’s commercial position might be sacrificed in a confrontation with Egyptian nationalists. In this context, the transformation of the National Bank of Egypt from a private bank into the central bank of Egypt on the 29th of March 1951 caused concern in both London and Khartoum. There was a fear amongst officials within the Office of the Sudan Agent in London, and the British Treasury, that the Sudanese government’s savings would be held hostage in a potential future confrontation, as well as exaggerated claims that the Bank might be politicized as a weapon in the struggle between Egypt and Britain.

Concerns were raised first by members of the Sudan Agency, the independent office in London that managed the Sudan Government’s affairs in both Britain and Egypt. In particular

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194 The transformation of the NBE into the official central bank of Egypt meant that 85% of the profits from notes issued would now go to the Egyptian government and 15% of the profit would go to the NBE. The bank would continue to operate as the government’s banker and it would be capable of providing a cover for budgetary deficits of up to 10% of the average budgetary revenue of the preceding three years. The bank would also set interest rates in coordination with a higher council.
195 The Sudan Agency evolved out the Egyptian Army’s Department of Military Intelligence. The post’s original duties were largely confined to collecting information about Sudan, preparing publications and disseminating that information to the correct officials within the British and Egyptian governments. The stationing of an agent in Cairo was considered necessary as early as 1901, because of the cumbersome nature of dual sovereignty between Britain and Egypt. Officially, the Sudan Agent was to be the channel of communication between the outer world and the Civil Secretariat of the Sudan Government. The Sudan Agent also had special responsibilities over personnel matters. He became the primary representative of the Governor-General first in Cairo and then in London. Gradually, the Sudan Agents in Cairo and then London evolved into semi-official ambassadors for the increasingly independent Government of Sudan.
M. W. Daly, *Empire on the Nile: The Anglo-Egyptian Sudan, 1898-1934* (Cambridge, UK:
there were concerns about the safety of the LE 29,568,000 of the Government of Sudan’s money held in the Exchange Control Account. The fear was that the Egyptian government would use its voting majority within the Supreme Committee of the NBE to enact decisions that were unfavorable to Sudan in retaliation for pressure that Britain might place on Egypt elsewhere.¹⁹⁶

Sudan Agency officials, as well as members of the Foreign Office, stationed in London were deeply concerned. Officials in Khartoum, however, were far less worried that Egypt would risk an open break with Khartoum by threatening the Government’s reserves. Financial Secretary Chick assured the Sudan Agent in London that “Egypt will not do anything that would endanger the use of Egyptian currency in Sudan.” In addition, the Finance Department in Khartoum was loath to accept the less favorable commercial terms offered by banks such as Barclays DCO if the Government of Sudan were to transfer its investments from the NBE.¹⁹⁷

An additional advantage was that because the NBE was not a bank seeking commercial advantage, it was willing to provide constant streams of funding to other banks in Sudan.¹⁹⁸

Yet, assurances from Chick and other Finance Department officials in Khartoum did not ease the concerns of Foreign Office officials in London. In response, the Sudan Agent, C. G.

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¹⁹⁶ The specific fear was that the Egyptian government might transfer funds from one account to another account under its control, and that there were few if any outside controls on such behavior as long as all of the transfers occurred within the Transferable Sterling Area.

¹⁹⁷ Letter. From C. G. Davis to A. L. Chick, October 23, 1951, SAD 732/8/1-162 G. D. Lampen.


Chick’s dilemma was that lacking a local capital market, banks in Sudan constantly transferred their funds out of the country, typically depositing them in Cairo, where they could earn more interest. The end result was that when merchants and farmers in Sudan seasonally needed financing there was a scarcity. For instance, the Khartoum branch of Barclays DCO maintained credits of upwards of LE 14 million pounds in Cairo. However, because the NBE was not a bank seeking commercial advantage, its Khartoum branch was willing to provide constant streams of funding to other banks in Sudan.

Davis, communicated a desire to make the funds stored in the Exchange Equalization Account less fluid.\textsuperscript{199} It was in this context that Davis first suggested that Sudan should issue its own currency.\textsuperscript{200} However, he added that under no circumstances would the Bank of England support the Government of Sudan by putting British Pound Sterling notes directly into circulation in the country.\textsuperscript{201}

The implication was clear; London was agitating for Khartoum to strike out on its own without offering Sudan financial shelter underneath the imperial umbrella. Chick responded that while Davis’ call for Sudan to issue its own currency might be desirable, it was premature. Chick was concerned that the introduction of Sudan’s own currency would imply that Anglo-Sudanese officials in Khartoum wished to influence discussions about the political fate of Sudan. The danger was that Sudanese nationalists and Egyptian officials would interpret the introduction

\textsuperscript{199} The Sudan Agent in both London and Cairo served many of the functions of a Government of Sudan embassy abroad, consular functions as well as political intelligence. Agents after 1945 were exceptionally loyal to the Government in Khartoum and according to Daly often attempted to advocate the position of senior officials in Khartoum abroad. Daly, \textit{Imperial Sudan} p 248.

\textsuperscript{200} British officials created the Exchange Equalization Account in 1931. During the Great Depression, the Bank of England sought to prevent further falls in the international prices of raw materials by reducing the international value of sterling. The goal was to make British exports appear cheaper. Yet, this raised international suspicions that Britain was suppressing employment in the rest of the world in order to facilitate the British economic recovery. One result was that officials in Britain’s trading partners, here Egyptian officials, were in no way alone in feeling that a competitive economic nationalism had replaced a more cooperative economic liberalism of pre-First World War era. It was in this context that elites in Egypt perceived a change from a system in which they were able to cooperate with British economic elites to one in which they found themselves directly competing with British economic interests. A similar dynamic would take place between Sudanese and Egyptian elites after Sudan’s independence in 1956.


\textsuperscript{201} Though it should be mentioned even Davis thought the outright seizure of Sudan’s sterling balances was a remote possibility, considering that Egypt remained a substantial creditor with Britain.

Letter. From C. G. Davis to A. L. Chick, November 2, 1951, SAD 732/8/1-162/ G. D. Lampen.
of a new currency as a move towards independence without the input of the Sudanese electorate.

Chick possessed more familiarity with his Egyptian counterparts such as Fuad Serag el-Din, Minister of Finance and Secretary General of the Wafd, than British officials based in London. Therefore, he understood that his Egyptian associates were extremely unlikely to break international norms and violate the claims of the Sudanese Government to its reserves and in the process risk economic retaliation.\textsuperscript{202}

Still, finance department officials began to contemplate measures to separate the new Sudanese currency from the Egyptian currency. For example, they studied the possibility of holding their reserves of dollars with Barclays DCO rather than with the NBE.\textsuperscript{203} One possibility was that this reserve of dollars would eventually serve as part of the backing for an independent Sudanese currency. And in the Finance Department, even though its members did not order the new currency, Chick and Carmichael had completed the design of its notes by December of 1952.\textsuperscript{204} However, the introduction of a new currency and the formal separation of the Sudanese economy from the Egyptian economy remained a bridge too far for Anglo-Sudanese officials. They were afraid to get publically ahead of the political leadership, even though in their private opinion, separation was inevitable.

In the final analysis, the British Treasury agreed with Chick that for the immediate future, Sudan should continue to use the Egyptian currency and remain in the Sterling Transferable Account Area with Egypt. The rationale was that any move to change the status quo would upset

\textsuperscript{202} For instance Egypt was dependent on Sudan and the other countries of the Nile Basin for access to Nile water which was vital to the country’s economy. Letter. From A. L. Chick to C. G. Davis, “Sudan Sterling Balances,” November 14, 1951, SAD 732/8/1-162/.

\textsuperscript{203} Letter. From A. L. Chick to Serpell, October 16, 1952, TNA FO 371/96947/.

\textsuperscript{204} Another detail was that the introduction of a new currency would mean that the Egyptian notes in circulation in Sudan valued at between LE 18-20 million would have to be repatriated to Egypt. Letter. From Fredric Milner to David Serpell, December 10, 1952, TNA FO 371/96947/.
the legitimacy of the British officials in Khartoum by undermining their claim to be custodians of the interest of the Sudanese people. Since 1947, when Egypt left the sterling area, it had been a member of the Sterling Transferable Account Area, which meant that it would have access to only a portion of its reserves for fixed purposes, and only bilaterally negotiated access to the remainder of their reserves. The Bank of England and Treasury regulated the extent to which these reserves could be exchanged into dollars, limiting the possibility that Cairo could unilaterally seize Khartoum's sterling reserves and secretly transfer the reserves into dollars.

Despite Foreign Office fears of economic retaliation by the end of 1951, the Governor General’s Executive Council in Khartoum had decisively scuttled the idea of a separate currency.

In 1951, despite their support for the continued use of the Egyptian currency, Finance officials in Khartoum were in a different economic position than their Egyptian peers. While Khartoum was generating significant current account surpluses as a result of strong export earnings during the late 1940s and early 1950s, it lacked both significant financial reserves that could easily be converted into American dollars and strong prospects for earning dollars through significant exports to the American Accounting Area (the dollar area). Sudanese officials were also forced to spend significant amounts of their dollar earnings outside of the sterling area.

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206 Tignor, Capitalism and Nationalism 36-40; Van Der Wee, Prosperity and Upheaval 435.
207 “A strong political demand for a separate currency may well arise; and if we had our own currency we should be able to keep in check Egyptian propaganda money which will clearly be poured into this country in much greater amounts than in the past.” Letter. From A. L. Chick to C. G. Davis. “Sudan Sterling Balances,” October 20, 1951. SAD 732/8/1-162/ G. D. Lampen; The Government of Sudan and their contractors estimated that it would take nine months for them to introduce a new currency. Letter. From Serpell to D. A. H. Wright, January 9, 1952, TNA FO 371/96947; Letter. From A. L. Chick to C. E. Loombe, January 7, 1952, TNA FO 371/96947.
purchase staple goods for immediate consumption. It would have been in the economic interest of Sudanese cotton exporters, of which the state was the largest, for the Government to issue its own currency and to rejoin the sterling area. A formal position within the sterling area would secure Sudanese exporters' access to the British system of imperial preference and stabilize access to the empire's markets.

The British Treasury acknowledged the precariousness of Sudan’s position. After all, Sudan was dependent on its ties to the sterling area because of its trade relationships. Finance Department officials within the Government of Sudan wished for Treasury and Bank of England officials to treat the Government of Sudan as if it was an ad hoc member of the sterling area. They pushed for the privileges that the British government occasionally granted other states. However, these requests fell on deaf ears. For instance, there was little enthusiasm amongst British Treasury and Bank of England officials to apportion part of their dollar reserve to be managed locally by officials in Khartoum. Meanwhile, the local management of dollar reserves was becoming a symbol of sovereignty.

While the initial discussions about a Sudanese currency were taking place, Egypt's position on Sudan was undergoing a transition from one of intransigence to support for a plebiscite on the fate of the country in 1953, following the withdrawal of all British and Egyptian

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208 Import quotas governed the sale of long-staple cotton to the United States. Letter. From A. L. Chick to Serpell, October 16, 1952, TNA FO 371/96947. In 1952 Sudan also earned dollars from countries outside of the American Accounting Area such as Israel and Bulgaria. But the country was forced to spend dollars on wheat from Canada and coffee from Brazil and Ethiopia. Letter. From W. J. F. McEwan to G. D. Lampen, “Hard Currencies Budget, 1952.” April 1, 1952, TNA FO 371/96947.

209 By 1952 India, Pakistan, Ceylon and Iraq had all been allowed by the Bank of England to manage small pools of dollars locally. Minute. From Treasury, October 21 until 23, 1952, TNA FO 371/96947/; and Letter. From D. R. Serpell to C. E. Loombe, October 21, 1952, TNA FO 371/96947/.

troops from Sudan. Additionally in 1951, an agreement was reached between Egypt and Britain over their outstanding sterling balances. The Sterling Release Agreement of July 1951 established that aside from a one-time payment of LE 50 million in 1951, the remainder of Britain’s outstanding debts to Egypt would be paid down at regular, but negotiated intervals, until a balance of LE 80 million remained in 1961.

Therefore by 1952, the sense of urgency which had initially gripped officials in London began to subside. The dispute about Egypt’s sterling holdings had once again been placed within a negotiated framework, and both Britain and Egypt were entertaining the idea that Sudan might separate itself from their economies, even as such an outcome remained slightly unsatisfactory to both parties. The fight shifted to a dispute about how Sudan would function as a peripheral part of either a British or Egyptian-centric economic system. Political maneuvering revolved around not only which economic sphere appeared more enticing, but also over the terms of membership. Even Governor-General Robert Howe was uncertain about whether Britain would support Sudan economically after independence. In 1953, Howe nervously wrote to the British Foreign Minister Anthony Eden to request a treaty of friendship between Britain and Sudan, only to find his pleas rebuffed.

As politicians within the Anglo-Egyptian Sudan prepared to assume the responsibilities

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213 General Neguib was quoted as saying that the only way that Sudan could resist Egyptian encroachment was as members of the British Commonwealth. Memo. From Selwyn Lloyd to Mr. Eden, “Conversation between the Minister of State and General Neguib in Cairo, 28th March, 1953,” March 30, 1953, TNA FO 407/232/.
214 Letter. From R. G. Howe to Secretary of State Anthony Eden, March 16, 1953, TNA FO 371/102752/.
of self-governance in 1954, British holdovers such as Carmichael, who continued to work at the Department of Finance, and his new Sudanese peers, found themselves lacking the political surety of their link to Britain as well as secure economic links to the sterling area. At the same time, their economic policies continued to assume that their privileged access to British markets would remain unaltered. These privileges were negotiated through a series of informal agreements between British and Sudanese officials, which provided very little long-term stability. These agreements, principally long-term purchase agreements for cotton, gave Sudanese exporters a degree of stability, but left Sudan vulnerable to British officials not renewing those agreements.  

Maintaining informal monetary ties to Britain and formal ties to Egypt also magnified the potential vulnerabilities of Sudanese traders to exchange rate fluctuations. One of the allegations of British foul play leading up to the referendum in 1953 was that British officials spread rumors that the Egyptian pound might suddenly depreciate in value.

Before 1953, within the upper ranks of the Finance Department, creating a Sudanese currency did not enjoy much support. Chick recognized the extent to which a new currency would be seen as a symbol of political independence, and wished to avoid inserting the Finance Department into the ongoing dispute about Sudan's political future. Consequentially, he was

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216 The manager of the Barclay’s Branch in Juba openly suggested that the Egyptian pound could face eminent devaluation. Other actions that were taken by Anglo-Sudanese officials included the Sudanese Department of Finance’s use of Egyptian pounds to stockpile Sterling, and suggestions to pilgrims that it would be better for them to travel with sterling rather than Egyptian pounds. Also Anglo-Sudanese officials were being allowed to transfer the entirety of their salaries out of the country with controls.

Letter. From Muhammad Neguib to H.E, The Governor-General, August 30th, 1953, TNA FO 371/102759/.

willing to sacrifice the increased control and surveillance of Sudan's monetary and financial transactions that an independent currency would grant policymakers in Khartoum. However, moves towards political independence beginning in 1954 meant that Sudan would need its own financial institutions, and that the Sudanese economy could no longer be represented as an appendage of the Egyptian and British economies.

*Introducing a Sudanese Currency: 1954-1955*

It is necessary to follow the discussion about a Sudanese currency beyond the chronological scope of this chapter (1954) and the onset of independence, for even as Sudan approached independence, the problems of a currency that was tied to sterling, but technically not part of the sterling area, remained. Britain was reluctant to provide the necessary dollar or sterling cover to support an independent Sudanese currency, and there was little enthusiasm in London for pushing forward Sudan’s application to become a scheduled territory within the sterling area.\(^{218}\) Once negotiations with Egypt were concluded, establishing a formula to resolve Sudan’s political future, Britain was reluctant to discuss the issue of a Sudanese currency without Egypt’s prior agreement.\(^{219}\)

By 1955, Sudanese officials began to reexamine the currency question, arguing that an independent Sudan needed its own currency. One reason was that Sudanese economic policymakers increasingly saw themselves in competition with Egypt for markets for their cotton exports, and without an independent currency they would remain vulnerable to swings in the value of the Egyptian pound and attached to a currency designed to support Egyptian not Sudanese economic policy. Another reason to support an independent currency was that Sudan

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\(^{218}\) Letter. From John Carmichael to D. R. Serpell, September 24, 1953, SAD 732/8/1-162/ G. D. Lampen.

could not obtain membership in either the International Monetary Fund or the International Bank of Reconstruction and Development without its own currency. In addition, an independent currency would allow Sudan to borrow from international lenders, without the limits placed on the country by Egypt or Britain, which were hesitant to extend their own development assistance.220

However, even after the achievement of self-governance in 1954, officials within the Sudanese Ministry of Finance wanted a new Sudanese currency to be automatically convertible into sterling at a fixed rate.221 Sudanese officials sought to ensure that even if they could not become formal members of the sterling area, their preferred choice, that they could remain de facto members, preserving preferential trade access to sterling area markets against stiff competition from cotton producers outside the monetary union, such as the United States and Egypt.

The sharp decline in Sudan's export income during the 1954-1955 cotton season demonstrated to finance officials the extent to which Sudan's economic health depended on its relationships with its former colonial powers. Sudan suffered from losing its privileged access to former cotton markets such as India in 1954, as British authorities began to restrict Sudan’s preferential access to sterling area markets. Even when Sudanese officials attempted to construct novel economic arrangements that would facilitate trade with rivals like Egypt, such as bilateral currency swaps, or the exchange of Indian rupees for Egyptian pounds, these agreements often

221 The basic principle of establishing a currency board was to achieve automaticity. For example, the issuing and redemption of a local currency is made directly against an equivalent amount of a strong universal currency. In this case, that currency was expected to be sterling. Note. John Carmichael, “Operation of a Currency Board,” (1954) SAD G//S 1166/4/7/ J. Carmichael.
inadvertently redirected trade away from Sudan. Sudan was beginning to find that outside the
hallowed halls of managed trade its exports were not very competitive.  

The problems associated with introducing a new currency were not simply issues of
erficiency or technical maneuvering, but rather questions about the orientation of the Sudanese
economy. In the minds of both senior Sudanese officials and the few British officials staying on
in Khartoum, Sudan was a small and economically vulnerable commodity producer with only
one or two profitable crops. Therefore, even as Sudanese officials debated the process of
introducing their own currency in the months before independence, there was a growing anxiety
about whether or not the country would be forced to stand alone economically. The Sudanese
Department of Finance recognized that continuing to use the Egyptian currency was
unsatisfactory. Egypt had designed a system of import entitlements and special discounts that
favored Egyptian cotton at the expense of Sudanese cotton. The continued use of Egyptian
pounds as legal tender also meant that money could be transferred between Sudan and Egypt
without regards to the rules of the Sudan Exchange Control regulations. These regulations were
designed to encourage the accumulation of capital reserves within the country.

As officials in Khartoum strengthened ties with the sterling area, as the best means for
Sudan to preserve access to its traditional imperial markets, the limits of informal membership

222 Letter. From J.C. to Claude, April 17, 1955, SAD G//S 1166/4/6/.
223 “Delegation of Sudan stated, “Sudanese delegation strongly opposed the first observation
made by the Resolutions Committee on the grounds that a newly born nation, which has no
prospects of industrial development, and which can only rely on agriculture for the betterment of
the standard of living of its people, should not be asked to stop increasing its cotton acreage by
nations which have centuries of agricultural development. It should also be pointed out that
Sudan grows extra long-staple cotton of which there is no surplus and that Sudan has no carry-
over of cotton at all.”
“Minutes of the Meeting of the Steering Committee,” International Cotton Advisory Committee,
224 Memo. J. Carmichael, “Notes on Financial Problems in the Sudan which are of Interest to
were becoming clearer. Between 1945 and 1955 the Government of Sudan budgeted LE 52 million for development, and of this sum, all but LE 2 million was raised from internal sources. Not only was Her Majesty’s Government hesitant to provide more aid for development, but British officials also suggested that the price of membership in the sterling area would be restricting Sudan’s payment agreements with Eastern Bloc countries and Saudi Arabia. These agreements allowed Sudan to barter directly with those countries in order to avoid having to clear transactions in US dollars or another mutually agreed currency.\textsuperscript{225} Aside from the officials in the Bank of England and the Treasury’s desire to manage trade within the sterling area, and their reticence to provide development aid to non-Commonwealth or imperial countries, the British economy’s capacity to be a market of last resort for cotton was also in decline by the mid-1950s.\textsuperscript{226}

In this context, Sudanese officials commissioned two Indian experts to write an extensive report on the relative merits of Sudan joining various currency blocs. The 1955 report by V. K. Nehru and J. P. Jeejeebhoy outlined three options for Sudan.\textsuperscript{227} It could become independent, it could become a member of the dollar area or it could become a member of the Sterling area. Fulfilling the hopes of Anglo-Sudanese officials, the Indian delegation argued that Sudan should pursue \textit{de jure} membership in the sterling area. Their rationale was developed as follows: in order to become independent of both sterling and the dollar area, Sudan would have to negotiate

\textsuperscript{225} These agreements were common in the 1950s. India and Egypt had just signed an agreement; Britain and Argentina had one in place, as did Britain and Pakistan in which textiles were exchanged for American cotton. Memo. J. Carmichael, “Notes on Financial Problems in the Sudan which are of Interest to HMG,” July 21, 1955, SAD G//S 1166/4/6/


“a series of trade and payment agreements or complicated import or export entitlement accounts” which could debase the currency. These arrangements would allow Sudan to trade freely, the downside being that Sudanese officials would then have to be much more vigilant in ensuring that their trade balanced out with each trading partner.

Another alternative was for Sudan to attempt to join the dollar area. Here the challenge was for Sudan to accumulate a sufficient reserve of dollars in order to allow the country to adopt a non-discriminatory import policy. Exports would then be directed primarily to countries that could pay in dollars. The primary drawback with this strategy was that Sudan’s trade with dollar countries was only one twentieth the size of its trade with countries whose currencies could not be freely exchanged with dollars.

The third possibility was for Sudan to become a formal member of the sterling area. The main dilemma was whether or not Sudan would cease contributing to the dollar pool or whether Sudan would continue to surrender its dollars to London. Countries that joined the Sterling Transferable Account area were free to trade without regulations from London. Those countries that remained committed to the dollar pool could exchange their sterling for dollars at a favorable exchange rate, but at the same time, they had to coordinate their purchases from the dollar area with central authorities in London.228 One alternative for Sudanese officials was to turn to international financial institutions to make up its dollar shortfalls.

Once the Sudanese parliament declared independence on January 1st, 1956, finally dashing the hopes of Nasser’s regime that Sudan would vote for unity with Egypt, Egyptian,

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228 “The benefit was that the dollar pool was a ready source of hard currency. The fear was that for a relatively small country such as Sudan, if it departed from the dollar pool, then it would not be able to manage its foreign exchange reserves independently in order to successfully carryout its trade.” Report. V. K. Nehru and J. P. Jeejeebhoy, “The Sudan’s External Payments Agreements,” 1955, SAD G//S 1166/2/7/
Sudanese and British finance officials began to negotiate about how to introduce a Sudanese currency. Sudan's currency would continue to be supported by sterling, and transactions in dollars would require a government license. In the next two years after independence, the viability of a Sudanese currency was held hostage to decisions made in Cairo and London. In particular, each of these capitals had to resolve competing claims to Egypt’s sterling balances, and whether or not and on what terms Sudan would be allowed to access its share of Egypt’s sterling. Sudan’s share ultimately came to roughly 15 million Sterling pounds. 18-20 million Egyptian pounds were also circulating within Sudan and would have to be redeemed by Egypt in any deal to introduce a separate Sudanese currency. By 1957, it finally began to appear as though a deal might be possible: Britain would release a portion of its sterling reserves and Egypt would redeem its currency circulating in Sudan.229

By the end of October 1957, Sudan had essentially completed the process of substituting Egyptian pounds for its own currency.230 However, in order to support the currency’s exchange value, Sudan developed a restrictive system of exchange that was in many ways similar to that practiced by other sterling area countries. A fixed rate of exchange was established between the Sudanese pound and the US dollar. The rate was $ 2.87 for one Sudanese pound.231 Imports from soft currency countries could be conducted under a general license, while imports from dollar area countries had to obtain specific import licenses. These licenses were only granted up

229 Note. No. 18, “Redemption of Egyptian Currency in Sudan: Foreign Office to Certain HM Reps,” April 6, 1957, TNA FO 407/236/230 Staff Report. Prepared by Staff Representatives for 1958 Consultations with Sudan, “Staff Report and Recommendations—1958 Consultations,” June 24, 1958, IMF, p 7 Download Date: 4/27/2009/231 Lacking a Central Bank this rate was subject to fluctuations, because it had to be determined by buyers and sellers on the London capital markets. The Sudanese Pound was pegged at a rate to the dollar that was only slightly lower than that of British Pound, which in 1957 was at 1 GBP to 2.94 American Dollars.
to a specific amount. In 1957 Sudanese authorities budgeted $4 million in order to provide a cover for trade with the dollar area.\textsuperscript{232} Sudan maintained bilateral trade agreements, which were designed to increase sales of Sudanese cotton and to allow those countries to pay for these goods in a currency other than sterling.\textsuperscript{233}

**The Second Development Program and Survey of Sudan**

The second issue which occupied the attention of finance officials during the early 1950s, was how to conduct an economic survey of the Sudanese economy. The debate surrounding this issue touched upon reoccurring questions about how Khartoum and its various provinces should relate to one another. By carrying out surveys of the potential resources of various regions of Sudan, finance officials believed that the state would be able to increase its legitimacy prior to the elections of 1953. The goal was to win rural votes by holding out the promise of investment in the future. At the same time, delaying the release of the survey until after the formulation of the 1954/1955 general and development budgets allowed officials to remain committed to a development strategy premised on investing the majority of the state’s capital in a few schemes, while attempting to rapidly increase the country’s exports of cotton.


\textsuperscript{233} Perhaps the most import bilateral payment agreement was with Egypt. This agreement stipulated that any payment in excess of LS 500,000 would be settled only at preordained times of the year. These trades would then be cleared in a negotiated third currency. Sudan consistently ran a trade surplus with Egypt, and in practice Egypt was Sudan’s only market for many of its exports other than cotton, such as camels, dates and legumes. The main Egyptian export to Sudan was sugar, which was purchased by the Sudanese government in order to supply its monopoly. There was also a bilateral agreement with Saudi Arabia that attempted to fix a long-term exchange rate between the Saudi riyal and the Sudanese pound. This agreement was designed to protect pilgrims from currency fluctuations.”

The high cotton prices prevailing immediately after the Second World War provided the context in which a renewed effort to foster development planning in Sudan began in earnest. During the war years from 1939 until 1945, high cotton prices and ready markets led to increased production for export. At the same time, chronic food shortages, and even famine conditions plagued Darfur and the southern provinces. Despite years of relative prosperity, by the conclusion of the 1940s, inequality between the core regions of the country such as Khartoum and the outer provinces had been exacerbated. As the first development plan, *The Five Year Plan for Postwar Development, 1946-1951* came to a close, and questions about the political legitimacy of the Sudanese state arose, finance officials came to believe that the second development plan would have to address regional inequality and propose solutions.²³⁴

As the authors began to write Sudan's second development plan in the early 1950s, *The Sudan Development Programme 1951/56*, they proposed a series of surveys to assess the potential for undertaking new development schemes. Finance officials were especially interested in the extension of low cost services, such as well and bore drilling as well as veterinary services as one means of making development more geographically inclusive.²³⁵ But, there were significant reservations about whether the aim of development spending should be an attempt to unify the country as a single defined unit or simply to raise revenue. While the parallel discussion about the Sudanese currency centered on questions about how the Sudanese state should relate to the major international and regional economic powers, development planning and surveying focused on the issue of how the different regions of the country should relate to one another and to the national state. And as in the earlier example of the Sudanese

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²³⁴ Sudan Government, *Five Year Plan for Post-War Development* (Khartoum, Sudan, 1946), and Daly, *Imperial Sudan* 172-185.
currency, finance officials' discussions about how to plan and survey the emergent Sudanese economy were marked by ambivalence. At stake was the question of whether finance officials were empowered to use development policy to unify a Sudanese economy prior to the creation of a Sudanese state. After 1954, as the Sudanese government became increasingly politically representative, finance officials began to worry about whether the production and dissemination of increased amounts of economic data would help or hinder policymakers. They grew particularly concerned about the extent to which new constituencies might use economic data to argue for economic programs in their regions. This would obviously constrain the ability of policymakers to implement the projects they favored.

*In Search of Legitimacy: Planning and Surveying, 1950-1953*

It was during the writing of the second development program from 1951 until 1953 that questions about how to allocate development funds came to the foreground. A first step in embarking upon a more geographically inclusive form of development was the decision by finance officials to conduct economic surveys in order to identify new investment possibilities. Economic planners’ growing concern with lower cost development projects, which could be scattered across Sudan, was related in part to the country’s looming political transition. Increased political competition made it imperative for members of the Sudanese Political Service to win allies amongst the rural constituencies that would eventually contest the vote. British officials believed that if they had any chance of retaining their political influence over the emerging Sudanese mass political parties they would have to mobilize potential voters in the rural constituencies where local administrators still retained a modicum of authority. The
electoral results of 1953 quickly demonstrated the impracticality of this vision. The idea of a comprehensive survey of southern Sudan, which was debated in the early 1950s, drew criticism from finance officials in Khartoum. The reason that finance officials found economic surveying to be a contentious subject was that they assumed there would be pressure to fund projects that appeared viable.

The battle over the need to survey the Sudanese economy and defining its internal shape lasted from 1951 until the writing of the 1954/1955 development budget in 1954. This budget demonstrated that the Managil Extension was the state’s development priority. These battles coincided with negotiations about how the various parts of Sudan fit together economically as well as politically. The attention of finance officials then shifted its focus to strategies to accelerate Sudanese economic growth.

In the writings of Sudan’s agricultural experts in the 1950s, such as Arthur Gaitskell and John Tothill, it is clear that their ambitions included the further expansion of plantation agricultural schemes. As the agricultural estates grew and multiplied, the modern sector of the economy would expand. Yet an examination of the attitudes of officials within the Department

\[\text{236} \quad \text{Justin Willis and Atta el Battahani. ““We Changed the Laws”: Electoral Practice and Malpractice in Sudan since 1953.” African Affairs 109, (2010): 191-212.}\]

\[\text{237} \quad \text{The Governor-General of Sudan announced the Jonglei Investigation Team on the 1st of January 1946. The explicit purpose of the Team, which was originally headed by the Finance Secretary Sir Edington Miller was to add the Government of Sudan’s view to the Egyptian Ministry of Public Works for hydraulic control of the entire Nile Basin from Uganda and the Belgian Congo to Lower Egypt, in particular discussions about a canal through the swamps within Upper Nile Province. Robert O. Collins, The Waters of the Nile: Hydropolitics and the Jonglei Canal, 1900-1988 (Princeton, NJ: Markus Wiener Publishers, 1996) 195-196.}\]


\[\text{239} \quad \text{By the 1953 the Gezira Scheme was approximately one million feddans, and there were plans for possible extensions of the original scheme in stages of potentially another 800,000-one million feddans. Daly, Imperial Sudan 309.}\]
of Finance demonstrates their resistance to this totalizing vision. For example, senior officials such as Chick and his deputy, Carmichael consistently argued against the integration of agricultural production, manufacturing and social services for the Azande in southwestern Equatoria. They were also lukewarm in general to schemes that merged financial profit with the social advancement of particular groups.\textsuperscript{240} Finance officials were hesitant to commit themselves to funding new commitments for schools, doctors or even wages with family allowances. In this regard finance officials had anticipated that the social and economic concessions often granted by the late colonial state in order to gain political legitimacy could become prohibitively expensive. Therefore finance officials, deeply attuned to the state's accounts, proved hesitant to take on new burdens.\textsuperscript{241}

Discussions about the second development program began in July of 1950 and continued until 1953. Improvements in the financial position of the state allowed the size of the development budget to consistently be revised upwards. Initially, finance officials planned to allot LE 4.5 million for development in the 1949/1950 budget.\textsuperscript{242} However, planning for the second development program began in earnest in 1951 with the establishment that year of a small unit within the Department of Finance, referred to as the Development Branch. This branch was responsible for formulating annual development budgets and supervising development expenditures. After the strong cotton sales of 1951, it became clear that the government’s export earnings would provide finance officials with the necessary revenue to pursue development on a grander scale than they had previously believed possible. The 1951

\textsuperscript{240} Circular. From J. Smith, “Minutes of Provisional Working Committee,” April 1, 1946, NRO Fin 3-A/42/2/5/.
\textsuperscript{242} From A. L. Chick, “Finance Circular Letter, No. 30,” July 10, 1950, SAD 499/14/1-52/.
and 1952 iterations of the development budget changed significantly from one version to the next, but by 1953 the budget had stabilized. An important iteration of the evolving second development plan was the 1953 budget report. It was attached to the 1953/54 budget. The rise in exports allowed Finance officials to increase the Sudanese development budget from LE 24 million pounds to LE 34 million pounds in 1953, the year a formal version of the development plan was finally published.

Despite a vast increase in the amount of resources that finance officials could devote to development, officials within the Development Branch were keenly aware of their limitations. Internationally, the ideal amongst practitioners of planning was the formulation of a “balanced plan.” This was defined by the planners located in the Department of Finance, as an attempt “to achieve a target in increased production, or in the expansion of particular social or technical services, or in raising standards of living.” In fact while developing a “balanced plan” attached to abstract goals was an ambition of Sudanese planners, these planners recognized that such a goal would remain elusive unless a detailed survey of resources needs was prepared. The assumption was that only after significant surveying had been carried out would it be possible to create an accurate assemblage of the data required for planning. Surveying was important in part because no baseline existed against which to measure the progress of development.

Consequently, instead of a plan built around predetermined targets, such as a specific rise in per capita income or the savings rate, Sudanese officials confined themselves to a list of new capital works, which the Government of Sudan committed itself to funding. Only new projects

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243 This unit along with small units within the Departments of Irrigation and Agriculture were to provide the intellectual drive for development planning until the system was reorganized in 1960. Abdel Rahman Abdel Wahab, “Development Planning in the Sudan: Policy and Organization,” in Ali Mohamed El Hassan, ed. Introduction to the Sudan Economy. (Khartoum, Sudan: Khartoum University Press, 1976) 218-220.
were included in the Development Program/Budget, staff and other recurrent costs were reported in the ordinary budget. The largest proportion of the program, 27% was reserved for communications; another 23% was allocated to productive schemes, 15% to public utilities, 20% to social services, and 12% to administration. Only three percent was left over for unallocated expenses.\(^{245}\) The biggest and perhaps most consequential difference in the allocation of capital between this program and the earlier plan was the conspicuous lack of funds devoted to the expansion or development of new irrigation projects. Conspicuously absent were the grand projects, most notably projects such as the Gezira Scheme or the Zande Scheme in Equatoria. Instead of concentrated investment, the 1953 program held out the promise of extensive investment spread out over much larger areas of the country. The absence of grand projects was justified in part by a need to wait for the results of the surveys and because of the delicacy of negotiations with Egypt over water usage, which made the undertaking of new irrigation works a sensitive issue.

While economic surveying was undertaken by finance officials in order to signal a commitment to alter patterns of investment in the future, in the present some types of investment continued in similar patterns. For instance, a capital intensive enterprise such as the Sudan Railways continued to concentrate its investments primarily in the replacement and betterment of existing assets, as well as in the construction of new capital works in areas traditionally developed by the colonial state, such as a railway extension from the Sennar Junction to Roseires and new berthing facilities at Port Sudan. Lesser sums of money were allocated to the expansion of riverboat traffic within southern Sudan. The absence of railroad connections to peripheral areas, such as Western Sudan or throughout much of southern Sudan, was barely

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mentioned in the program.\textsuperscript{246}

While the large capital investments in the transportation sector remained consistent with those made in the earlier plan, a massive shift occurred in the nature of investment in what Sudanese officials termed “productive schemes.” Productive schemes were defined as those projects that produced tradable goods and commodities rather than services. Instead of a focus on the expansion of plantation style schemes, the creation of new rural water supplies and an emphasis on soil conservation received the majority of attention.\textsuperscript{247} The goal was to open up “new areas to livestock and rain crop cultivation,” allowing independent farmers to prosper.\textsuperscript{248} The main element of the rural water supply program was an attempt to create a network of boreholes, wells and hafirs (which were machine-excavated ponds or reservoirs where rain water could be stored). The possibility of extensive development inherent in these projects was revealed by the presence of hafirs in Darfur, Kordofan, Blue Nile, Kassala, Upper Nile and even Equatoria Province. The construction of hafirs also necessitated the creation of a new network of roads and access sites, which promised to further the objective of opening up new lands to development. In deciding which areas held out the most promise for future investments, the Sudan Geological Survey Department was contracted in order to identify locations where underground resources could be brought to the surface economically for small-scale irrigation.\textsuperscript{249}

When finance officials released the Sudan Development Programme 1951/56, in 1953, surveying instead of a commitment to immediate investments in new projects played a prominent

\textsuperscript{246} Development Branch, “The Sudan Development Programme 1951/56,” 4.
\textsuperscript{247} The 1951-1956 Development Program emphasized improvements in the transportation sector as a spur to development, while the “New Schemes Program” from 1956-1961 featured massive irrigation and agricultural projects such as the Managil Extension and mechanized crop production in Kassala and Blue Nile. Abdel Wahab, “Development Planning in the Sudan,” 219-220.
\textsuperscript{248} Development Branch, “The Sudan Development Programme 1951/56,” 8.
\textsuperscript{249} Ibid.
role. One of the goals of surveying was to explore the potential to expand the productivity of Sudan’s grasslands. One proposal to make the livestock population of southern Sudan more productive required an 80,000 sq km survey of the tsetse fly belt, in order to identify the nature of the problem and to begin the process of designing a tsetse eradication program. A solution to the tsetse problem could permit more grassland to be devoted to the commercial grazing of cattle. In the north, the problem of disease had largely been countered and the main limiting factor was opening up new grasslands, surveying and conducting experiments in areas that would allow the Sudanese Veterinary Service to develop the techniques necessary to improve its grazing results.\textsuperscript{250} Even as the grasslands were increasingly being surveyed, similar experiments were being carried out along Sudan’s rivers. Planners sought to quantify the resources stored in Sudan’s fisheries and even to quantify the deposits of minerals held under Sudan’s surface.

There was a growing concern with experiments and surveys designed to discover the economic potential of Sudan’s vast expanses. Of particular interest were the rain lands of southern Kordofan and Blue Nile Province. Both areas were considered key sites in what Sudanese agriculturalists defined as the central rain lands, areas that received approximately 750 mm of rain a year. Yet the infrastructure necessary to maximize the exploitable potential of these areas was missing. Both the storage facilities and hafirs necessary for development were largely non-existent. Surveys in southern Sudan also pointed to the possibility of agricultural diversification. The survey team noted ongoing experiments with crops such as rice, sugar, tobacco, sisal, jute, kenaf, coffee, kapok and various drying oils and fibers. Yet, the investigations into the potential of these crops were confined to small pilot schemes, the results of which, even when favorable, were never pursued. Large-scale experiments were not designed

\textsuperscript{250} Finance Department, “The Sudan Development Programme 1951/56,” 10-11.
and commercialization was not pursued. Critics at the time and even today have pointed to the results of this survey to suggest that alternative development strategies were practicable, and could have been pursued by government officials in Khartoum, but were willfully ignored. Had they been pursued, the results in terms of the structure of inequality within Sudan might have been dramatically different.\footnote{Letter. From George Raby to Sayyid Hammad Tewfik, “A Verbatim Report of Mr. C.W. Raby’s Recorded Speech,” Khartoum, SAD G//S 1166/4/7; and Benaiah Yongo-Bure, \textit{Economic Development in Southern Sudan} (Lanham, MD : University Press of America, 2007).}

During the early 1950s, a window opened during which it was possible to examine alternatives to plantation style schemes in part because Nile water rights were tied up in political negotiations over the Anglo-Egyptian Sudan’s future status.\footnote{Though as part of earlier planned works in 1952, reservoir levels were raised at Sennar by approximately one meter and at the Jebel Auliya Dam, south of Khartoum, by 10 centimeters. John Waterbury, \textit{Hydropolitics of the Nile Valley} (Syracuse, NY: Syracuse University Press, 1979) 67.} However, the negotiations over water resources between Egypt and Sudan made an accurate assessment of Sudan’s potential needs a priority.\footnote{Egypt created the Hydroelectric Power Commission in May 1945, which was charged with the initial planning for the electrification of the Aswan Dam. It was Egypt’s completion of the preliminary stages of the Aswan High Dam project in 1952-1953 that made it necessary for Egypt to reopen negotiations with Sudan about the terms of the 1929 Nile Waters Agreement. Formal negotiations only began in September of 1954. Robert Vitalis, \textit{When Capitalists Collide: Business Conflict and the End of Empire in Egypt} (Berkeley: University of California Press, 1995) 148 and 164-165; see also Waterbury, \textit{Hydropolitics}, 67-68.} In particular, it had to be determined which areas of northern Sudan, outside of the Gezira Plain, were suitable for irrigation from the Blue and White Nile. Otherwise, it would be impossible to forecast Sudan’s long-term water needs.

In thinking about the Sudanese preparation for planning, and the role that surveying ultimately played in it, the lack of information available must be kept in mind. Civil Secretary J. W. Robertson believed that the information gathered through surveys would allow for a more
ambitious form of long-term planning in the future. An accurate census had not yet been carried out, and government services in numerous areas of the country were lacking. The desire to organize surveys and to investigate the economic potential of long neglected parts of the country dominated the thinking of Anglo-Sudanese planners. Economic surveying was an attractive element of the Second Development Program in part because it offered a solution to the lack of information that planners possessed, and in part as a low-cost means of introducing the state’s economic apparatus into long-ignored areas of its territory. However, despite surveying's early promise as a means of preparing the way for future development in long forgotten areas, the survey that had the most historic impact was the product of a small grant of LE 10,000. This grant paid for a small preliminary survey by the Sudan Irrigation Department of the southwestern extension of the Gezira Scheme. This extension became the Managil Scheme, a scheme that formed the centerpiece of development strategy after independence.

*Designing an Economic Survey of Sudan: A Search for International Legitimacy, 1950-1953*

Surveying was an integral part of planning, and finance officials had long recognized its importance. The undertaking of extensive surveys had often been postponed, but in 1950, there was a new urgency to the project. Finance officials believed they could improve their credibility as the legitimate spokespersons for the Sudanese people if they convinced the Americans to work directly with them to carry out a survey of the economic potential present within the borders of the Anglo-Egyptian Sudan. Officials in Khartoum knew that an economic survey of Sudan carried out by a team of outside experts could not only bolster the international legitimacy of the government in Khartoum, but also, if structured correctly, win the favor of the different regional

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254 Letter. Civil Secretary to G. L. Clutton, January 29, 1950, TNA FO 371/80404/.
constituencies spread throughout Sudan by acknowledging the lack of development in many provinces. Overtures to the United States were made through the Economic Cooperation Administration, an agency set up as part of the Marshall Plan, as part of Khartoum’s increased assertiveness in determining economic policy. Finance officials started small, with negotiations to secure the aid of the US Department of Agriculture Geophysical Team in 1950, in order to carry out a survey of underground water supplies.256

Even after London’s objections to what British officials perceived as a violation of their sovereignty, Robertson and other officials in Khartoum did not give up hope of inviting outside experts to conduct an economic survey of Sudan; instead, they began to seek American experts as part of the Point Four Program. This was a technical assistance program created in 1949, in the context of the Cold War, to support developing countries. The idea was that a team resembling the team sent to Colombia under the direction of Lauchlin Currie of the International Bank for Reconstruction and Development (IBRD) could be formed to examine the Sudanese economy, thereby granting officials in Khartoum both political and technical cover to implement their future economic plans.257 Officials in London responded by suggesting a British-chaired team with American members.258 As negotiations dragged on between the Foreign Office and officials in Khartoum, it became increasingly apparent that Sudan’s status as a Condominium made it very awkward to arrange for an independent survey of the country. In particular, if the IBRD did not sponsor American researchers, it would be difficult to arrange for another neutral institution to sponsor those researchers. However, the IBRD was unable to sponsor researchers to travel to the Anglo-Egyptian Sudan because the country was not and could not become a

256 Letter. From Mr. Mayhall to Mr. Clutton, January 16, 1950, TNA FO 371/80531/.
258 Letter. From M. N. F. Stewart to Sir J. Robertson, October 10th, 1950, TNA FO 371/80404/.
member of the Bank. The principal reason was that even though Sudan was not a formal dependency of Britain or Egypt, it lacked its own currency. For international financial institutions, the Anglo-Egyptian Sudan was a colony, while for the British it was independent. Similarly, it was unclear if officials from international agencies such as the Food and Agricultural Organization could be independent members of the proposed international survey or whether they would have to be sponsored by British organizations.\footnote{Letter. From T. E. Evans to D. Greenhill, October 10, 1950, TNA FO 371/80404/ and From F. H. Locke to Miss Waterlow, August 28, 1950, TNA FO 371/80404/} Another difficulty was that the US government was unwilling to issue Point Four aid without the approval of both Condominium powers, and Egypt was unwilling to acquiesce to an agreement in which Britain took the lead.\footnote{Minute. From Denis Greenhill to T. E. Evans, October 23, 1950, TNA FO 371/80404/} Despite the fact that British officials in Khartoum were increasingly trying to assert their control over matters of foreign policy, legally they were still subordinated to the wishes of senior officials in London and Cairo.

Amidst fears in Khartoum and London about how much influence international actors, such as the Americans would have over the economic survey, a decision was made to transform the survey from an exercise centered on Sudan as a whole, into a survey that would examine southern Sudan specifically. Limiting the geographical scope of the survey meant that the government’s main development priorities, such as the Managil Extension, would not be scrutinized. Despite the intensity of the debate on the need to spread the investment in development more equitably throughout the country, the Sudan Irrigation Department remained steadfast in its belief that development efforts should focus on the Gezira plain alone. In 1949, the Sudanese Irrigation Department completed a study of the country’s future irrigation needs, and as early as 1950, planning began for the Managil extension. However, the decision to
embark on the Managil Extension was not formally taken until 1954.261

Addressing the South initially appeared to be a convenient means of attracting international support for the colonial government and of tackling unrest both within the Sudan Political Service and amongst Sudanese political figures who argued that Khartoum needed to do more to tackle domestic inequality. London believed that it would be easier to make the case for American support of an economic survey if it was directed to “the pagan South, which, so far, has not had the benefit of capital outlays on this scale applied to the Moslem [sic] center and North.”262 Once the battle to restrict the economic survey of Sudan to southern Sudan was over, a natural solution became redirecting officials working on a survey of the Jonglei Canal to expand it to include the entire South. These efforts eventually culminated in the publication of a survey report entitled, “The Natural Resources and Development Potential in the Southern Provinces of the Sudan.”263

From the very beginning, the planning for a survey of the southern provinces of Sudan caused problems for the government in Khartoum. It became a lightning rod around which southern politicians such as Buth Diu could advocate southern autonomy. One of the earliest demands was for the creation of a southern development board under the Ministry of Coordination of Southern Development. A federation for Southerners encountered strong resistance from Sudanese officials who worried that if the South was granted federal status, a similar status would be demanded by Easterners and Westerners. One suggestion was that the Ministry for the Coordination of Southern Development might become institutionalized as a site

262 Letter. From R. C. Couldrey to T. Evans, July 10, 1952, TNA FO 371/80404
where southerners could have a voice in determining the direction of their own development.  

By February of 1953, the southern survey team had won fame. Known as the Jonglei Investigation Team it was based at Malakal. The Investigation Team was charged both with the collection of scientific facts and designing proposals for economic development. A flattering report about the team’s work, which appeared in London's *The Daily Telegraph*, stated that the team’s goals were not merely resolving questions of irrigation and Nile water control, but included such wider issues as communications, economic development and the provision of alternative and improved means of earning a livelihood for the people of southern Sudan. The team was lead by Dr. Paul Howell, a former District Commissioner who had worked with the Nuer in southern Sudan.

A question that was immediately raised was whether the team’s goal was to acquire the knowledge necessary to propel southern Sudan’s development as an independent economy, or to make the southern Sudanese economy complimentary with the northern economy. The choice of former southern District Commissioner Howell to lead the investigative team only further encouraged these questions, because Southern District Commissioners were known to have been supportive of special political safeguards for the southern provinces and even southern autonomy. Howell openly wrote in intergovernmental communications that four federated states might produce a more stable Sudan than the current centralized state. He also openly opposed the political power of the religious Sheikhs in northern Sudan, and suggested that southerners should be allowed to develop their own civil service list in order to win

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266 Letter. From R. Stevenson to FO, January 19, 1953, TNA FO 371/102739/
appointments to government jobs.\(^{267}\)

Appointed to a position of planning authority, Howell quickly transformed the scope of his assignment from examining the feasibility of a few capital investment projects, projects that would ideally attract international investments, to planning an autonomous southern Sudanese economy. Howell imagined the Jonglei Investigative Team’s final written report being a “‘word picture,’ which might include somewhat imaginary passages here and there, of what we intend southern Sudan to look like, economically and socially, some 10 or even 20 years hence.” The report he intended to write would not be made up merely of the conventional detailed cost and benefit estimates. It would lay out an alternative development scenario.\(^{268}\) This was a direct contrast with the approach of finance officials such as Carmichael, who was increasingly striving to organize facts about the world through numbers and to make policy decisions according to budget balances. In contrast, the members of the Jonglei Team saw themselves as painters drawing a picture of possible futures, rather than acting simply as the arbiters between different development schemes designed in other parts of the government.

Differences in their understanding of the aims of the government’s surveying, programming and planning created tensions between Chick and Howell.\(^{269}\) Chick often found the requests of the Jonglei Investigation Team extravagant and unnecessary.\(^{270}\) In Khartoum, the move away from budgeting towards “word pictures” was thought to be a dangerous overstepping of the role of the surveyor or planner. Yet, Howell thought the politics of Sudan’s move towards independence made it necessary, because he believed that, “unless a degree of self-sufficiency can be assured, plus the development of exports sufficient at least to pay for the

\(^{267}\) Letter. From Howell to JSR Duncan, December 31, 1952, SAD 768/8/1-101/

\(^{268}\) Letter. From B. A. Lewis to R. C. Wakefield, January 7, 1953, SAD 768/8/1-101/

\(^{269}\) Letter. From R. C. Wakefield to Paul Howell, March 9, 1953, SAD 768/9/1-114/.

\(^{270}\) Letter. From P. P. Howell to R. C. Wakefield, March 13, 1953, SAD 768/9/1-114/.
maintenance and gradual expansion of social services, ‘safeguards’ for the South may well be meaningless or in any case transitory.” Officials who had been stationed in the South, many of whom were used to and supported the political project of southern autonomy, brought a sense of urgency to plans for a new South in the last years of the Condominium. They recognized that once independence was achieved, it was unlikely that the North would possess the money necessary to develop southern Sudan or to adequately address the deficiencies within the country in a manner that would make unity attractive.271 Essentially, the objective of the members of the Jonglei Investigation Team was to imagine an entirely different economy, rather than finding an effective manner of spending the budgetary surplus in order to place the central government on a more secure foundation. Though never explicitly stated, the different factions involved in this debate understood and expected that economic autonomy was the basis for political autonomy.

*The Assertion of Authority: A Restriction of Surveying*

The terms of the southern provinces’ integration with northern Sudan lay at the heart of the increasing discontent that began to roil southern Sudan in 1953 and 1954. One reason that there was so much resistance in Khartoum to conducting a survey of the economic potential of the southern provinces was that Carmichael realized that there would not be sufficient money to carry out the development projects a survey would find feasible. In his mind, the priorities were the Roseires Dam and the further expansion of the Gezira Scheme, projects long advocated by the Sudan Irrigation Department.272

Officials at the Department of Finance correctly foresaw that an economic survey of Sudan would greatly expand the number of economic development alternative, and

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271 Note. “A Few Facts About the Southern Sudan: The Upper Nile Province in Particular,” March 9, 1953, SAD 768/9/1-114/.
272 Letter. From D. M. H. Riches to W. Morris, August 25, 1953, TNA FO 371/102759/.
consequently, increase the frustrations of various constituencies within Sudan whose expectations about the future remained unfulfilled. By August of 1953, while morale was still high within the Department of Finance, providing sufficient clerks and supervisors to manage the financial boom caused by the record cotton crop of 1950/51 had begun to place a severe strain on the department. The department even began to have trouble supervising the few projects that it had identified as vital. Concerns about the limited capacity of officials within the Finance Department to manage the proliferation of development projects only increased as the 1950s progressed.

The rising discontent of the nascent southern elite fueled unrest in the South. This elite felt threatened and was angered by the Department of Finance’s decision to focus on a narrow development agenda. After 1954, it was increasingly clear that economic development would initially be confined to the central riverain provinces. The discontent in the South that followed this realization reached its most acute levels in Equatoria. The province furthest from Khartoum and the most economically developed of the southern provinces.\(^\text{273}\)

In many ways it makes sense that the most developed province felt unrest first. At the end of the Second World War, the rapid economic and social developments taking place in Equatoria gave rise to new social classes, which were tied to the potential patronage of an expanding government in the southern provinces for their wellbeing.\(^\text{274}\) In particular, Southerners who were employed in local government or in the military units garrisoned in Equatoria had a lot to lose if the South were unceremoniously combined with the north, without


\(^{274}\) Development in Juba was greatly accelerated by the decision in 1947 to integrate southern Sudan with the rest of Sudan. Minute No. 27, “Mr. Riches’ Tour in the Southern Sudan,” March, 1953, TNA FO 407/232/.
adequate procedures being put in place to protect the position of southerners in the future bureaucracy.²⁷⁵

The promotion of civil servants was a highly politicized issue. Once the promotion of Sudanese civil servants began in 1953, the enormous pent up frustration of northern Sudanese government employees, who had long been denied promotions and were extraordinarily influential within the main political parties, meant that most British officials were replaced within a year or so. Another result was stiff resistance to reserving official positions for southerners, who for reasons such as the Arabic language exam administered as a requirement for entrance into the service, found themselves largely excluded.²⁷⁶ One of the solutions initially proposed was to strive for parity between the salaries of southern and northern employees in the security services rather than pursuing a strategy of increasing the opportunities for southerners to work in the civil bureaucracy.²⁷⁷ Even as the competition for scarce government posts within the bureaucracy rapidly increased in intensity, “a serious shortage of not only technicians, but also of book-keepers, clerks and artisans,” endangered the successful execution and maintenance of development projects in the southern provinces.²⁷⁸

Anger over the unequal distribution of civil service posts fed into general fears that the development of the southern provinces within a unified Sudan would be stalled by neglect. Many prominent southerners in Juba and the rest of Equatoria desired to become aligned with East Africa. Yet although G. W. Ogden, the head of the development branch within the

²⁷⁷ J. Carmichael, November 11, 1954, SAD G/S 1166/4/6/.
Department of Finance, recognized the importance of working out a special plan to facilitate the economic integration of the South, he could not figure out how to harmonize the Jonglei Investigation Team’s recommendations with the government’s long term planning for the development of the national unit. Because the Department of Finance had originally conceived of the economic survey of the southern provinces as a means for the central government to secure international financing and legitimacy, there was very little tolerance in Khartoum for experimentation or the adoption of novel pilot projects.

The reluctance of Finance officials to integrate the efforts of the Jonglei Investigation Team’s work reflected an operational desire to simplify and consolidate the number of development initiatives pursued by the Department, rather than to expand them. Officials such as Carmichael believed that development should focus on the continued expansion of the Gezira Scheme rather than other initiatives. Indeed, already in 1953, Carmichael was arguing that the emphasis on extensive surveying of the Sudanese economy was misplaced. Instead, Carmichael favored a focus on expanding the amount of cotton grown within the Gezira triangle. He advised his British superiors in the Treasury that focusing on expanding Gezira would be “an adequate shield behind which the Sudanese Council of Ministers would permit consolidation rather than a too rapid expansion” of development initiatives.

Carmichael understood that if the expansion of the Gezira scheme were pursued aggressively there would be insufficient resources to pursue other development goals. Estimates in 1953 suggested that the expansion of the Gezira scheme might cost upwards of LE 30 million.

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279 Letter. From G. W. Ogden to P. P. Howell, “Southern Development Investigation Team,” June 18, 1953, SAD 768/9/1-114/
280 Letter. From P. P. Howell to R. C. Wakefield, March 30, 1953, SAD 768/9/1-114/
While officials within the Department were interested in getting outside funding for an economic survey that would bolster the state’s legitimacy, they had serious reservations about pursuing economic surveys in practice. There was little enthusiasm within the Department about a Point Four survey or a potential IBRD survey of the entire Nile Valley. There was a similar hesitancy to fund surveys of particular regions of Sudan. The danger in pursuing additional economic surveys was that they would create an image of the territory’s economic potential that would then necessitate a commitment by the government in Khartoum to further develop those regions.\(^{282}\) Meanwhile, Finance officials believed that maintaining and eventually expanding the Gezira Scheme was integral to ensuring a sound fiscal position for the Sudanese state. Carmichael thought that economic activity and capital investment should be concentrated in a few select centers and not distributed across the country in an extensive manner.\(^{283}\)

However, even as Carmichael suggested that the development of plantation agriculture was the preferred method of development, funding these enterprises remained a problem. Therefore, even as the framework of an export economy geared towards the former imperial system found active support amongst finance officials, British Treasury officials were hinting that they would be unwilling to extend new development funding to Sudan, since it was outside of the Commonwealth. Officials within the Sudanese Department of Finance were more concerned with stimulating growth in state revenue than officials within the British Treasury Department, who had begun to question the wisdom of continuing to rely on cotton as the basis for the Sudanese economy.\(^{284}\) Also, by 1954, the United Kingdom was beginning to import a

\(^{282}\) Ibid.


smaller and smaller share of Sudan’s cotton exports.\textsuperscript{285} Experiments in the adoption of new crops were pursued, as were experiments related to the development of new products, which could be developed from the cotton plant. Yet all of these schemes ran into intense resistance from the Ministry of Finance.\textsuperscript{286}

By the beginning of 1954, the decision to concentrate the state’s financial resources on expanding irrigation in the Gezira plain had been made. The supplementary development budget for 1954/55 clarified that the Managil extension and the Gezira Scheme would receive the vast majority of the government’s resources. The other areas to which government resources would be devoted included the extension of education facilities, the expansion of health services and the provision of additional rural water supplies.\textsuperscript{287} Targeting government expenditures in this manner constituted a marked change in priorities from those enumerated in the 1946-1951 and the 1951-56 Development Program, neither of which earmarked more than minor study funds for the construction of the Roseires Dam or the Managil Extension.\textsuperscript{288}

In making this turn, finance officials remained principally concerned with balancing their budget and increasing their reserves of foreign currency. This was despite their evolution from being the expatriate officials of a wider empire to the servants of an independent state. The enormous contribution of cotton to Sudan’s national revenue, and in particular the size of the Gezira Scheme’s contribution, meant that according to the logic of accounting, the Gezira Scheme and a few other prominent irrigated schemes could credibly stand in for the territorial

\textsuperscript{286} Letter. From George Raby to Sayyid Hammad Tewfik, “Idea of Setting Up a Department of Supply within the Ministry of Finance,” March 15, 1955, SAD G//S 1166/4/7/.
economy as whole. Measuring progress by focusing on easily identifiable targets such as the size of the country's reserve of foreign currency or the amount of free capital that a particular project could contribute to the central budget justified finance officials focus on a few large schemes, even as it obscured other political or social considerations. Evaluating the merit of projects according to their potential contribution to the central budget rationalized the decisions of officials in Khartoum to ignore the development of vast areas of the country. Officials calculated that the potential financial contributions to the central budget from those areas were negligible.

**Conclusion**

From 1946 until 1949, officials within the Finance Department used their position as the coordinators of the economic planning process to locate control over economic decision-making in Khartoum. In order to achieve their goal, finance officials argued that all future government investments in projects for economic development should prioritize the project’s contribution to the territory’s budget rather than political or social development goals. They also argued that as a financial unit, the Anglo-Egyptian Sudan as a whole should receive priority over alternative economic units both larger and smaller. Yet before 1954, these officials refrained from constructing the institutions and instruments that would have allowed them to define an independent Sudanese economy. For instance, they refrained from embarking on a survey of the economic potential of their territory or from pursuing an independent currency. The result was that while they centralized administrative power over the territory’s finance and development agenda, they made little progress in asserting the independence of a unified Sudanese economy. Instead, finance officials allowed Sudanese economic institutions to represent a Sudanese economy, which appeared to remain integrated within both the larger British and Egyptian
economies, as well as internally divided.

Yet, this ambiguous state of affairs could not be maintained indefinitely. The growing economic confrontation between Britain and Egypt in the late 1940s and early 1950s meant that officials in Khartoum were forced to address the possibility of Sudan’s future economic sovereignty. The first challenge was the 1947 to 1951 standoff between Britain and Egypt. At stake were the terms under which Egypt would have access to its sterling reserves. This was part of a larger battle about Egypt’s place within the sterling area and a British-centric economic system in general. Dissatisfied with the terms under which the British Treasury would allow the Egyptian government to have access to its currency reserves, the Egyptian government left the Sterling Convertibility Area in 1947.

In 1951, Egypt converted the National Bank of Egypt, which was also the banker of the Government of Sudan, into Egypt’s official central bank. As a result, various parts of the Foreign Office forced Chick to question not only whether the Condominium should introduce its own currency, but how that currency would position Sudan in the international economy. Questions about which international currency bloc Sudan would join, and how that would determine which countries were willing to trade with Sudan, continued to preoccupy Sudanese officials from 1951 until the Sudanese currency was finally introduced in 1957.

Ultimately, even though Sudanese officials were initially hesitant to pursue such a policy, it became clear that Sudan would have to stand alone, without a clear sterling backing from Britain and independent of Egypt and its currency. The creation of a separate Sudanese currency was a major move towards establishing an economy that could be governed independently by Sudanese officials in Khartoum. It allowed the economy to be visualized in new ways. The currency itself, in the years after 1957, became a valuable additional instrument through which
policymakers in Khartoum could intervene in economic affairs.

Similarly, as finance officials in Khartoum sought to cement their own authority in the face of a rapidly evolving political situation within the country, they discovered that embracing surveys of the country’s economic potential would not only improve their ability to plan in accordance with the territory’s resources, but that it also increased the legitimacy of the planners. Economic surveys, particularly economic surveys that included international members, would demonstrate to Britain, Egypt, and Sudanese nationalist politicians that the Department of Finance was serious in its attempts to address the development concerns of the whole of Sudan.

The surveys produced information that could be introduced into the political arena in ways that might place additional demands on bureaucrats trying to guide policy. Yet by 1954, once new Sudanese officials had assumed senior policy-making positions within the Ministry of Finance and the other government ministries, the enthusiasm for extensive surveying declined. The most prominent loser because of this change was the survey of southern Sudan. The new government came to power by mobilizing the vote through the networks built by the mass political parties, and therefore was less self-conscious about its need to legitimate itself in rural areas in order to assert its authority to govern Sudan. This made surveys less politically useful. In addition, the new government almost immediately found itself confronted with the fiscal effects of a downturn in the world cotton markets. This severely reduced the amount of revenue that state officials possessed. Reduced coffers made it difficult to deal with the demands that newly empowered political constituencies within Sudan might mobilize in favor of development projects with the potential to ameliorate the gross inequalities that were a continuing legacy of the Anglo-Egyptian Sudan.
The response championed by the Permanent Under-Secretary within the Ministry of Finance, John Carmichael, one of the few British officials to retain a senior position, was to reduce the Ministry’s focus on surveys, and instead to focus on the expansion of irrigated agriculture within the Gezira Plain, symbolized by the Managil Extension Scheme. By not completing surveys of Sudan’s economic potential, Carmichael hoped to limit the types of demands that could be made on the state by its constituents. He then argued that the state should concentrate its development efforts on the Managil Extension Scheme, which he believed would use up the vast majority of the capital that the state possessed for development, while also potentially providing the greatest future revenues for the government. The struggle to gather the resources necessary to undertake the massive Managil Extension came to define the economic policy debates of the Sudanese Government during the period from 1954 until 1958. The restriction of knowledge and the creation of distance between the finance official, or the even loftier planner, and politics were essential to the construction of finance officials’ authority and eventually to the construction of the science of planning. In addition, how officials defined the scope of their authority directly impacted the outcome of their technocratic analysis.

289 For evidence that concerns about limiting or at least structuring the ways in which constituents and other members of society were able to make demands on bureaucrats has been an anxiety in the United States, France and Japan, see: Michael Crozier, Samuel Huntington and Joji Watanuki, The Crisis of Democracy: On the Governability of Democracies to the Trilateral Commission. (New York, NY: New York University Press, 1975).

In the previous two chapters, I have shown that the prioritization of the territorial – that is the territory of what became the modern Sudan -over the local, over the regional, and over the supranational in policymaking circles was by no means inevitable. Yet between 1946 and 1954, finance officials became responsible for planning within the territory from the Imatong Mountains along the southern border with Uganda to Wadi Halfa at the crossing into Egypt in the north. Consequentially, the territorial economy became the primary reference point of government policy.

By 1954, finance officials had decided that their mandate was to act in the interest of the territory of modern Sudan rather than working from the framework of provinces or sub-regions

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290 Supranational ideas that were current among thinkers in Anglo-Egyptian Sudan at the time included a new federation with Egypt or perhaps a federation of at least part of Sudan with British East Africa.
291 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, which was technically a Condominium in which both Britain and Egypt possessed dual sovereignty. See: Helen Tilley, *African 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.
of the territory or privileging supra-Sudan considerations, emanating, for example, from the
close economic and political associations with Egypt or the remains of the British Empire.
Therefore, when these officials designed plans, conducted surveys, or drew up budgets the
Sudanese economy was represented as a single discrete unit. By focusing decision-making on
Sudan as a territory, both in terms of the formulation of policy and its evaluation, policymakers
were forced to decide on a single vision for the Sudanese economy.

Patterns of extraction, dating back to the Egyptian conquest of Sudan in 1821 left a
legacy of a territory divided between a rural periphery, which provided factors such as raw
commodities and labor, and a productive, export-oriented core based in and around Khartoum. Historical patterns of extraction deeply shaped how finance officials manipulated and interpreted
their economic tools and figures during the 1950s.

Between 1953 and 1956, political and policy planning power passed from the hands of
British expatriate officials into the hands of a Khartoum-based indigenous educated and
landowning elite even though key expatriates were retained as advisers. The Sudanese elite
possessed a strong interest in the cotton growing industry, which was concentrated in the Gezira
plains along the banks of the Blue Nile and along the banks of the White Nile to Kosti.

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292 For a discussion of how colonial land policy worked to concentrate the elite in Khartoum and
to create a class of absentee landlords interested in exporting crops such as cotton, see: Steven
Serels, “Political Landscaping: Land Registration, the Definition of Ownership and the Evolution
of Colonial Objectives in the Anglo-Egyptian Sudan, 1899-1924,” African Economic History 35
(2007) 60. For a discussion of labor migration to Khartoum, see Ahmad Sikainga, Slaves into
Workers: Emancipation and Labor in Colonial Sudan (Austin, TX: University of Texas Press,
1996). Ander Bjorkelo, Prelude to the Mahdiyya: Peasants and Traders in the Shendi Region,
293 Robert L. Tignor, “The Sudanese Private Sector: An Historical Overview,” The Journal of
The Dynamics of Sudanese Politics, 1898-1985 (Albany, NY: State University of New York
Press, 1987), and Tony Barnett, The Gezira Scheme: An Illusion of Development (New York,
Although the Khartoum based elite was often internally divided by ethnic, class and sectarian affiliations, they collectively articulated a powerful image of Sudan’s modernization as being inextricably tied to cotton production.\footnote{294}

A quick investigation of the background of the indigenous senior finance officials who replaced their British predecessors in 1954 reveals intimate family relationships between them and the landowning elite of cotton growers.\footnote{295} Moreover, the principal holdover from the British administration in the Ministry of Finance, John Carmichael, was himself very closely associated with the British cotton growing industry that had been the main buyer of Sudanese cotton.\footnote{296} The intimate ties of government officials to the cotton sector explain to a significant extent why finance officials preferred to support policies that emphasized the expansion of this segment of the economy over others. However, it would be a mistake to believe that the strong biases emanating from personal, family, or business interests alone determined Sudan’s economic policies. The new country’s economic and financial planning was also mediated by economic principals and instruments. Planning through the! instruments of budget projections and forecasts was an integral part of how finance officials made and justified their economic decisions (particularly the decision to concentrate the majority of the state’s investments spatially


\footnote{295} Beheiry, \textit{Glimpses in the Life of a Sudanese Public Servant} 109.

\footnote{296} John Carmichael until the early 1960s served as an advisor to the Government of Sudan supporting senior officials within the Ministry of Finance and Economics.

within the central Nile basin) and of how political actors defined their interests. The Minister of Finance Ibrahim Ahmed discussed the planning processes’ role in establishing expectations about the future:

In an autocratic system of Government the State can decide by direct methods how much should be produced, how much should be saved and how much should be invested. But in Sudan which prefers the democratic system, we have to choose the techniques and methods which will encourage everyone to contribute by his efforts to the attainment of our main purpose raising the standard of living.\textsuperscript{297}

The implication was that in a democracy the government could only implement its policies if its constituencies could be persuaded that the proposed policies served their interests. The planning process was the government’s means of formulating and explaining its proposals to satisfy the wants of various interests in the future.

Between 1954 and 1958, there were two occasions when the practicalities of planning, budgeting and accounting played a crucial role in how government policy was determined and its implications were understood. The first relates to the decisions taken between 1954 and 1956 to commit state funding to the Managil Scheme, ensuring the expansion of large-scale irrigation in the Gezira plain. The Managil project seemed a sure investment because of its obvious potential to generate future revenues. By comparison, estimating the investment returns for possible alternatives, including those proposed by the Equatoria Projects Board proved to be much more difficult. Yet, the apparent reliability of the projections of the Managil Scheme’s future revenue and expenditure estimates created new financial and political vulnerabilities for the government. Notably, planners had no control over the price of cotton, which was a key factor in calculating the future returns of investments in the Managil Scheme. During the planning phase and during the implementation of the scheme, planners were constantly forced to recalibrate their budgets.

\textsuperscript{297} Ibrahim Ahmed, 1956/57 Budget Speech, June 7, 1956, SAD G//S 1166/3/5/2/
and figures to reflect the fluctuating price of cotton. But each time they did so, they reopened the political debate about the wisdom of carrying out the project. Because Managil became the centerpiece of the government’s development strategy, the repeated debates about its very viability undermined the legitimacy of the government’s overall economic program. Economic indicators such as the price of cotton and its impact on the country’s ability to maintain sizable reserves of foreign currency became a referendum on the government’s political stewardship.

The ability to sustain optimistic economic projections was crucial as Sudanese politics became more democratic, and the political system evolved from one based on administrative fiat to one centered around mass political parties and electoral politics. The Anglo-Egyptian Sudan became a representative system in 1953, when the territory witnessed its first national elections. Formally electoral power was spread evenly across the territory. Landowning elites based in Khartoum, however, preserved their power by dominating the mass political parties. These parties attempted to incorporate and subordinate regional interests to the economic prerogatives of the cotton growing elite through patronage at the national level. At the same time, economic officials promised that development would proceed in stages. While patronage could facilitate the incorporation into national politics of regional elites, particularly those who were sent to represent their constituencies in Khartoum, patronage alone could not satisfy the persistent demands for greater political autonomy and investment from long neglected regions of Sudan. In order to sustain the new political equilibrium, state officials had to provide a

298 For a discussion of the autocratic political structure of the Condominium, see: Martin Daly, Empire on the Nile
300 For a discussion of the background and formation of southern politicians such as Benjamin Lowki, and their position as “messengers” from their community, see Cherry Leonardi, Knowing Authority: Colonial Governance and Local Community in Equatoria Province, Sudan, 1900-56
promise of investment in those regions.\textsuperscript{301} Finance officials fulfilled this requirement by providing projections of future budget surpluses derived from the expansion of irrigated cotton. The expectation was that a portion of these surpluses would then be invested in economically neglected regions of the country. However, patronage was expensive, and when political elites felt confident that their income and that of the state itself would steadily increase, they were more willing to spend money on political and social peace. Without a belief that the state could continue to generate increased revenue, even spending on patronage became contentious.

Steep declines in the price of cotton in 1954, and again between 1957 and 1958, made optimistic revenue projections less certain.\textsuperscript{302} Even more alarmingly was that these steep declines called into question whether or not it was at all possible for officials to reasonably predict the price of cotton. If finance and agricultural officials could not accurately estimate future cotton prices, how then could they or the politicians they advised decide whether the Managil Scheme or its alternatives represented a good investment? Some voices within the finance ministry suggested that Sudan might have to accept sharply lower prices for cotton. As the projected revenue evaporated, the promises that future surpluses would be invested in the long marginalized regions of the country lost much of their credibility, which in turn cast doubt on the sincerity of the politicians and the effectiveness of the democratic system. Under normal


\textsuperscript{302} Memo. John Carmichael, “Internal Resources Likely to be Available for Development,” 13.4.57, SAD G//S 1166/2/6 J. Carmichael.
circumstances disappointment with the original development agenda proposed by politicians and finance officials would have led to negotiations, internal squabbles, revisions of the state’s economic goals and perhaps the replacement of one coalition with another. But, the Anglo-Egyptian rivalry and the Cold War hardened political differences and the distrust between the various parties. This led eventually not only to the fall of the government in November 1958, but also to the end of the democratic system of government and the institution of a military dictatorship.\(^{303}\)

Regional conflict provided the ammunition for escalating political strife within Sudan, but the reason that disputes about financial policy and funding strategies gained so much traction was that they related to very basic questions about the political identity of Sudan. Questions about what forms of international aid to pursue, and from what sources, how to use taxation to raise development funds internally, what projects to prioritize, and what regions to privilege were highly politicized. These questions were directly linked to wider debates about the identity of the government and the state itself. Despite the achievement of self-government in 1954 and independence on January 1\(^{st}\) 1956, violent disagreements about the character of the new nation continued to mar the political discourse. As independence approached, northern politicians became embroiled in a dispute between the two major sectarian leaders. Many amongst the political elite, in particular the faction close to Sayyid ‘Ali al-Mirghani, the leader of Khatmiyya order, believed that Sayyid ‘Abd al-Rahman al-Mahdi and his followers in the ‘Ansar and the

\(^{303}\) For a generalized discussion of how anxieties about the future can create incentives for newly empowered political elites to alter economic institutions either to safeguard their current wealth or to acquire more wealth, see: Daron Acemoglu, Simon Johnson and James A. Robinson, “Institutions as a Fundamental Cause of Long-Run Growth,” in Philippe Aghion and Steven N. Durlauf (ed.), Handbook of Economic Growth, Vol. 1A (Oxford, UK: Elsevier, 2005) 386-464. In the case of Sudan, officials initially used planning to solve the commitment problems by attempting to anticipate future economic conditions.
Umma party wanted to create a monarchy with the al-Mahdi family at its head. The Khatmiyya order was virulently opposed to the idea even if the kingship would be largely ceremonial as in a constitutional monarchy. Their rejection had its roots in the competition between the two rival religious organizations that dated back to the late 19th century. However, it was not simply a two way political competition; the two major religious leaders shared a fear of Sudan’s first Prime Minister Ismail al-Azhari and his powerful National Unionist Party. In particular, they were opposed to Al-Azhari’s attempt to create a secular party, which would curb the political influence of the religious orders, which had given birth to the notable families endowed with vast landholdings. There were also demands from southern politicians for greater regional autonomy and federalist guarantees. Moreover, a growing trade unionist movement agitated not only for improved workers’ rights but also championed the rights of tenant farmers. Communists played an important role in the movement and persisted as a strong political tendency of their own. Making matters worse, all of these questions about the political identity of Sudan had to be resolved within the international context of escalating tensions in the Anglo-Egyptian dispute and Cold War politics.

**The Rise of the Managil Agricultural Extension Scheme and the Decline of the Equatorial Projects Board**

As Sudanese politicians and officials came to occupy the senior ranks of the government in 1954, they defined their first task as finalizing and then accelerating the implementation of a

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306 For a discussion of the trade union movement, see: Ahmad Alawad Sikainga, “*City of Fire and Steel*: A Social History of Atbara, Sudan’s Railway Town, 1906-1984” (Portsmouth, NH: Heinemann, 2002).
national development strategy. British officials in the decade after 1945 had left behind plans, surveys and reports about a vast number of potential development and economic schemes scattered across the country. Therefore, the task before Sudanese officials was to determine which projects were feasible and to decide upon an implementation strategy. Sudanese officials firmly believed that the state was the most capable driver of economic development. They largely ignored the dynamic potential of the private sector, particularly the ranching industry with its exports of cattle, sheep and camels, the transportation industry, commercial services, peasant farming and even private commercial farming outside of state-owned projects. Although finance officials discussed the potential of small-scale food processing and of diversifying away from cotton in favor of other crops, these plans remained primarily at the exploratory stage. Aside from the state monopolies on services such as railway transportation and duties on the importation of consumer goods such as sugar, the main revenue generator for the government remained the country’s cotton cultivation schemes. The government partially owned a number of tenant estates devoted to producing raw cotton for export, located along the Nile and in the Tokar and Gash Delta as well as in the Nuba Mountains. But, the two projects that possessed the greatest economic potential in the estimation of finance officials were the Managil Extension Scheme, which if completed would double the acreage of irrigated land

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312 Ibid.
cultivatable in the Gezira plain, and the Zande Scheme for growing cotton, tea, tobacco and other crops and manufacturing textiles operated by the Equatoria Projects Board, which its advocates hoped would spur the economic development of the southern provinces.313

While there may have been disagreements about the details of development policy, the governing class was united in its belief that Sudan’s independence could only be guaranteed through economic development. The leader of the Sudanese Senate Sayyid Ali ‘Abd al-Rahman articulated the consensus of the political class in favor of economic development and its relationship to political independence when he declared that:

As a united and responsible people we have successfully passed through the struggle stage for liberation and independence—we now begin the stage of development, construction and maintenance of our independence and this is certainly one of the most important epochs in the life of a nation.314

Like many prominent members of the northern elite, ‘Ali ‘Abd al-Rahman believed that there were stages of national realization, the first of which was political independence, quickly followed by the phase of national economic development. For men like ‘Abd al-Rahman, therefore, a failure to achieve economic growth and development threatened to jeopardize the very independence of the nation.315

315 For a discussion of the link between economic development and political independence in the imaginations of African independence leaders, see: Frederick Cooper, Africa Since 1940: The Past of the Present (New York, NY: Cambridge University Press, 2002).
The model that Sudan should follow in order to realize economic development was clearly laid out. It was the export of primary agricultural commodities. The Minister of Finance Ibrahim Ahmed stated in 1956:

> We rely on the export of our commodities for the funds with which we pay for the imports and other services which are essential not only for maintaining our existing standard of living but also for new development, and the raising of our standard of living.\(^{316}\)

The ideal of an export-oriented economy was firmly rooted in the minds of many Sudanese officials and politicians. The immediate goal of economic development was not to change the structure of the economy, but rather to increase the amount of revenue that the state was capable of collecting by increasing the quantity of its exports. During the Second World War, the Sudan Irrigation Department and the Department of Agriculture had already begun to draw up plans for expanding agricultural exports by constructing what eventually became the Managil Extension.\(^{317}\)

While the Sudanese economy was complex, from the perspective of the accountants’ ledgers it was simple. The income earned from the country’s exports of cotton needed to match or surpass the costs of its imports (of capital and consumer goods.) Any surplus, which accrued to the state, could be devoted to increasing the country’s production of cotton (thereby hoping for

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\(^{317}\) Questions about how much water Sudan could make use of were intimately tied up with its relationship to Egypt, and the “water nationalism” of the Sudan Irrigation Department during the 1940s was a direct response to their perceived position of subordination to Egyptian officials. 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; Sudan Government, *Five Year Plan for Post-War Development* (Khartoum, Sudan, 1946) 13.
even larger gains in the future) or building up and improving the apparatus of the state. An alternative approach for finance officials to balance the country’s trade was to encourage the domestic production of crops such as tea, sugar and coffee. These crops were often imported as consumer goods, and producing them locally could preserve the country’s reserves of foreign currency.

Finance officials were disposed to think of Sudan’s economy as a reflection of its cotton production, in part because the revenue derived from cotton could be measured with such ease. Consequently, it was easy for finance officials to associate the success or failure of economic policies with the amount of revenue earned from cotton each year. And in 1954, following the publication of the 1954/1955 Development Budget, finance officials defined their national development priority as the construction of the initial phases of the Managil Extension Scheme. The decision to invest in Managil sidelined alternative investment possibilities aimed at agricultural diversification in long neglected regions, including the Jonglei Canal project, the proposals of the Equatorial Projects Board in the southern provinces of Sudan, and the Jebel Marrah Scheme in Darfur.

Turning to the rationales that finance officials provided for favoring the Managil Scheme over the development of the Zande Scheme reveals finance officials’ approach to financial planning and stewardship. Between 1954 and 1958, finance officials favored the Managil Scheme over other development projects for two reasons. First, it was familiar. Managil was essentially an expansion of the Gezira Scheme, the most successful of Sudan’s major agricultural estates. Second, the potential cost of Managil and the future revenue that could be earned from it

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were easily calculable. In contrast, while finance officials understood the potential of the Equatorial Projects Board’s projects, they were not sure how to align the potential inherent in the Board’s projects with the central state’s economic aims. Where Managil was clearly envisioned as a scheme for the export of raw cotton, the Zande Scheme was sometimes interpreted as an exporter of raw cotton, or an incipient industrial complex or even as a series of experimental farms hoping to introduce new crops either for the domestic or international market into Sudan. As a result it was difficult to integrate the Zande Scheme into the Ministry of Finance’s planning.

While finance officials knew in theory that the reliance of the Sudanese economy on a single commodity was a strategic vulnerability, in practice policies designed to foster economic diversification were difficult to implement. Sudanese officials, for example, believed that the country already produced as much gum arabic (Sudan’s second largest export commodity after cotton) as the world economy could absorb. In fact, Sudanese dominance of the gum arabic market was so complete that by the First World War production increases in Sudan led directly to a reduction in the price of gum arabic in world markets. Other projects to produce alternative cash crops such as sugar, soap, tobacco, rice, citrus and palm oils all remained in an experimental phase: the quantities harvested too small for an accurate evaluation of their potential. The most promising sites for agricultural diversification were in southern Sudan on the experimental farms in Equatoria Province and around Jebel Marrah, in the far west of Sudan. Jebel Marrah, while surveyed for its economic potential by the British during the early 1950s, had never been developed. At the same time, the Equatoria Projects Board, which by 1956 had developed into a complex industrial agricultural establishment, was hindered by the political unrest centered in Equatoria Province. After the announcement in 1954 that the southern

\[319\] Serels, “Political Landscaping” p 64.
provinces of Sudan would be integrated into a unified political entity with the north without the benefit of any real regional political, administrative or cultural autonomy, violence erupted in Torit and quickly spread throughout Equatoria. Key demands of the protestors were some form of integration with British East Africa, as well as political and economic autonomy.\textsuperscript{320}

The development of the Equatoria Projects Board, which was often portrayed by both northern officials in Khartoum and southern politicians as a general development agency for southern Sudan, pointed to the possibility of an autonomous southern economy. The impracticality of shipping goods from the south all the way to Port Sudan in the far north gave additional credence to the suspicion that the development of a separate industrial capacity in the southern provinces would eventually facilitate greater integration between the south and neighboring countries such as Uganda or Kenya. Even the northern officials running the Equatoria Projects Board felt compelled to suggest that Mombasa might make a better outlet for southern goods than Port Sudan.\textsuperscript{321} The General Manager of the Equatorial Projects Board Khalifa Mahjoub found himself at a loss to define the true purpose of scheme. He wrote:

\begin{quote}
I look upon the Board as a project which has ‘eaten’ much money and must pay a dividend, and as a scheme which has possibilities to share in building up a national economy or, to say the least, in making this country partly self-sustaining. To do so it must expand. Should the expansion be agricultural? Industrial? Both? In what order?\textsuperscript{322}
\end{quote}

What was clear was that as an exporter of raw cotton the Equatoria Projects Scheme was failing. It produced only enough raw materials in 1956 to supply its own mills, and the cloth that these mills produced was of such poor quality that it was only consumed by government customers.


\textsuperscript{321} Minutes. From Ismail Mohd. Bakheit to Ali Baldo, June 19, 1958, NRO Finance 3-A/42/1/3/

\textsuperscript{322} Letter. From Khalifa Mahjoub to Directors of EPB, May 29, 1956, NRO Finance 3-A/42/1/4/
such as the prison system. To the extent that officials in Khartoum considered the Equatoria Projects Board financially beneficial, it was primarily as a way to produce agricultural substitutes for common imports consumed domestically.\textsuperscript{323}

Finance officials considered the Zande Scheme to be risky because there was no historical baseline against which to compare its performance. In addition, assessing the feasibility and earnings of the Zande Scheme was difficult because of a lack of reliable data. Data was hard to gather because bookkeepers and other northern staff members resented postings to a region that they regarded as hostile and alien. In fact it was often easier for the Scheme’s managers to recruit staff from India than to get northern Sudanese accountants to work in Nzara in western Equatoria. As the security situation deteriorated Khalifa Mahjub, the general manager of the Zande Scheme, reported that even his staff car had been “battered by machine gun fire.”\textsuperscript{324}

The only certainty in the eyes of officials in Khartoum was that the Equatoria Projects Board was losing money, but even how much exactly could not be ascertained. In 1956, it was calculated that up to 18 months of accounts had not been properly recorded.\textsuperscript{325} In 1958 when the Ministry

\textsuperscript{323} Ibid. For a discussion of the origins of the Zande Scheme and the debate about whether transforming the Azande into a self-sufficient people was an adequate aim of Sudanese economic policy, see the discussion in Ch. 1. The tension between the Equatoria Board’s financial mission and the idea of the Zande Scheme as a pilot industrialization project which was meant to transform southern Sudan is captured by the contradictions in how its administrators thought it should be judged, see Ferguson, \textit{The Zande Scheme} 24-29.

\textsuperscript{324} Minutes of 40\textsuperscript{th} Meeting, Equatoria Projects Board. From Khalifa Mahgoub to Sayyid Abdel Rahim Bayoumi, May 7\textsuperscript{th}, 1956, NRO Finance 3-A/42/1/3/ and Minutes. From W. Habashi, April 11, 1956, NRO Finance 3-A/42/1/3/

\textsuperscript{325} Losses were due in part to the small quantities of cotton grown, a problem which was aggravated by the uprising in southern Sudan of 1954. Expenditures on centralized agricultural schemes often remained high even if the harvest was poor or the price per unit low. Letter. From Khalifa Mahgoub to GM, June 18, 1956, NRO Finance 3-A/42/1/4/ and Note. From M.T. Salloum, June 16 1956, NRO Finance 3-A/42/1/4/ and Note. From Osman Abdel Osman to Governor of Equatoria, July 2, 1956, NRO Finance 3-A/42/1/4/
of Finance and Economics asked the Equatoria Projects Board to explain the Board’s ledgers, it could provide only very incomplete information. 326

Finance officials believed that the only remunerative possibility for the Zande Scheme was for it to become a cash crop exporter not only of cotton like the Nuba Mountain, Tokar and Gash Delta schemes, but also of tobacco and coffee. The goal was to put part of the income earned from the export of these crops into a reserve fund, which could then be used to promote social welfare and other forms of regional development. The scheme itself was to be run in such a manner that it maximized the potential revenues earned annually. 327 By the fall of 1958, despite the talk of reorganizing the Zande Scheme, finance officials could be heard saying that the regional poverty and lack of investment that the Scheme had originally been conceived to address had largely been solved. But, this statement ignored the fact that the vast inequality between northern Sudan, particularly the central provinces which included the Gezira scheme, and the provinces of southern Sudan, persisted. Finance officials did not consider local development in and of itself to be a legitimate aim. Therefore, the goal according to the Governor of Equatoria Ali Baldo was to run the scheme on “an economical basis and avoid losses,” even if that meant shutting down large parts of the Scheme and perhaps simply letting it shrivel through neglect. 328

While to finance officials in Khartoum the financial prospects of the Zande Scheme appeared unknowable, they tended to associate investments in Managil with predictable returns.

326 Letter. From Abdel Rahim Ibrahim Shaddad to General Manager, EPB, September 2, 1958, NRO Finance 3-A/42/3/10/
327 Letter. From Ali Baldo to Sayyid Wadie Habashi, February 20, 1958, NRO Finance 3-A/42/3/10/
328 Letter. From Ali Baldo to Sayyid Hamza Mirghani Hamza, September 23, 1958, NRO Finance 3-A/42/3/10/
To Ministry of Finance officials the attraction of Managil was that the likely return on capital could be calculated quickly by looking at historical production data related to the Gezira Scheme dating back to the 1920s.\textsuperscript{329} The time depth of the statistical record of the Gezira Scheme of which Managil was simply an extension gave estimates about the potential revenue an extra gloss of reliability. Finance officials’ ability to make calculations from information already possessed within the Ministry took on a renewed importance, because of the problems that these officials encountered receiving accurate data from agricultural estates, in particular estates located far away from Khartoum, such as the Equatorial Projects Board.\textsuperscript{330} Support for particular projects could be justified even in the face of expected financial loses as long as the duration and magnitude of these losses could be approximated.

The Managil Extension was primarily a cotton-producing scheme, but it also would produce large quantities of durra, a grain which was consumed as a primary foodstuff in Sudan. The first stage of four planned stages of the extension was scheduled to yield an additional 200,000 feddans of irrigated land.\textsuperscript{331} Construction on the first phase began in 1956, after finance officials allocated the necessary funds in the budget.\textsuperscript{332} However, planning for the construction of the Managil Extension Scheme, the centerpiece of the government’s strategy to boost exports of cotton, involved the construction of new infrastructure, including an elevated

\textsuperscript{329} Memo. Productive Development in the Period Between the Completion of the Managil Extension and the Completion of the Roseires Dam, 25\textsuperscript{th} February, 1958, SAD G//S 1166/1/4 J. Carmichael and J. Carmichael, “The Marketing of Sudan Cotton,” June 11, 1958, SAD G//S 1166/2/4/
\textsuperscript{330} Letter. From A. I. Shadad to General Manager, Equatorial Projects Board, January 21, 1958, NRO Fin 3-A/28/12/43
\textsuperscript{331} 1 feddan equals approximately 1 acre, or exactly 1.038.

Therefore by 1955, the main efforts of planners had shifted from a focus on deciding what to plan, to designing a strategy to implement their plans. The implementation of the Managil Extension Scheme raised several interconnected planning problems. It is revealing to examine how officials thought about overcoming the financial problems that they encountered in order to understand their philosophy of economic management. It highlights in particular why finance officials privileged certain projects over others. The first challenge that finance officials encountered was estimating the eventual cost of a scheme. The second challenge was to forecast revenue. This second calculation involved two unknowns: one, the size of the harvests, which varied annually, and second, the price a unit of cotton would fetch in international markets over the next several years. After 1954, this figure became increasingly difficult for finance officials to forecast. In 1956, finance officials identified a sizable gap between the amount of money that the Government of Sudan would earn according to its projections and the amount it needed to invest in the development of Managil.\footnote{Minister of Finance and Economics Ibrahim Ahmed, “The 1956/57 Budget Speech,” 7\textsuperscript{th} June, 1956, SAD G//S 1166/3/5/} As a result of falling cotton prices, the expected returns on the investment in cotton production seemed less secure. Consequently, independent economic experts consulted by the Ministry of Finance began to raise questions about the
premises behind Sudan’s privileging of the cotton export sector as the engine of its economy. However, they were quietly ignored.335

Examining the accounts, finance officials and Sudan’s international advisers remained optimistic that over the long run (ten to fifteen years) the cotton price would rise to a level that would justify the investment. However, finance officials concluded that over the short term the government would face a revenue shortfall and that an infusion of outside capital was needed in order to fund the planned projects.Analyzing information provided by the Sudanese government, officials from the International Bank of Reconstruction and Development concluded that after the initial five-year investment, the Managil Scheme would “yield satisfactory economic and financial returns.”336 Minister of Finance and Economics Ibrahim Ahmed in his 1955/56 budget speech expressed optimism about the strategy of investing in cotton, when he declared that the Sudanese nation needed to “work hard and produce more, work hard and save more, work hard and invest for the future of Sudan.”337 The Minister was in effect arguing that the Sudanese people needed to make short-term the sacrifices to bring the national development goals to fruition in the medium to long-term.

It needs to be emphasized however that the volatility of cotton prices should not have come as a complete surprise to finance officials. After all, Sudanese cotton prices had collapsed before, ravaging the government’s finances. During the Great Depression, Sudanese cotton prices rose and fell dramatically. For example, in 1931, after rising steadily during the 1920s, cotton prices sharply dropped, then recovered until 1937, before they again declined

335 Letter. From A. N. Shimmin to Sir John, 26th October, 1956, SAD G/S 1166/1/2/.
337 Ibid.
precipitously in 1938. Historical experience should have warned finance officials about the risks associated with basing the country’s economic strategy on a single commodity subject to dramatic price fluctuations. Yet, arguments about the ability of Sudan’s cotton growers to charge a premium for their product persisted from the 1920s until the mid-1950s. These arguments centered on the fact that Sudanese cotton was of the highest quality, and therefore would always find ready buyers at a higher price than other types of lower quality cotton produced elsewhere. In a 1924 meeting of the British Cotton Growing Association, J. Arthur Hutton argued, “I have no hesitation in saying that there is an unlimited demand for the cases of cotton we are growing. There is plenty of room at the top, and as long as we continue to grow a good type of cotton we shall have no difficulty whatever in marketing our products.” Over the intervening decades the arguments largely remained the same. In 1956, therefore, it was no surprise that the Sudanese delegates to international meetings used the old argument that the cotton market was bifurcated between consumers of average quality, short-staple cotton and Sudanese high quality, long-staple cotton for which prices remained robust even in the face of evidence that the market was dangerously oversupplied.

The presumption that Sudan could maintain a premium price for its cotton exports, despite intense competition within the international market, led finance officials to argue that the independent republic could continue the economic policies of capital intensive development based on irrigating cotton that the British had established. In addition, finance officials believed that they could set a price at which the government sold its cotton prior to referencing the

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339 Ordinary General Meeting of the Sudan Plantations Syndicate, November 12, 1924 SAD 416/2/46-49, quoted in Mollan, “Business, State and Economy.”
market. As early as 1954 arguments were heard inside the Ministry of Finance that the “focus on the quality of a produce that has long brought prosperity to Sudan,” namely cotton, might be misguided. But these voices remained marginal within the policymaking hierarchy until the Permanent Under-Secretary of Finance Hamza Mirghani Hamza raised them again after the poor cotton sales of the 1957-1958 season.\(^{341}\) Indeed until 1957, the main question that finance officials focused on was how to annually expand production of their agricultural exports, primarily raw cotton. The profit that the state expected to earn on its investments was calculated from historical data about the price of cotton combined with several different scenarios about how much additional land could be brought under irrigation. This allowed finance officials to make predictions about the additional income that the state could expect.\(^{342}\) The size of the Gezira Scheme and the possibility that Sudan’s total cotton production could be doubled with the completion of Managil became the guidepost of economic policy.

Low prices and poor sales of cotton in the years after 1954 made it necessary for finance officials to contemplate raising capital from abroad to make up for what they believed were temporary and short-term short-falls. But, raising capital from abroad was not merely a technical issue. Instead, Sudanese politicians regarded foreign economic aid as a political issue that was their preserve rather than that of the bureaucrats in the Ministry of Finance. As a result between 1956 and 1958, a fierce political debate ensued about the most appropriate funding strategy for Sudan. Politicians were unable to agree on a strategy for seeking foreign funding for the development priorities outlined by the Ministry of Finance or to articulate alternatives. Instead,

\(^{341}\) Letter. From A. N. Shimmin to John Carmichael, October 2, 1956, SAD G//S 1166/1/2/.

the battle over how to fund the Managil Agricultural Extension Scheme exposed deep rifts and fault lines within the political sphere, divisions that quickly morphed from disputes regarding the practicalities of development funding into a proxy battle between the different political factions battling for control of the state.

The gap between the amount of capital Sudan could raise domestically (through cotton earnings) and what it intended to invest in future development required officials to revise their budgets from year to year. When finance officials drafted the 1956/57 budget, they estimated that the central government had invested LE 70 million in development projects since 1945. This figure put into perspective the magnitude of the government’s current ambitions. In 1956, finance officials estimated that in order to complete the first three phases of the Managil Extension Scheme a total investment of LE 120 million would be required. The need to invest such a large sum of capital during a period of increased volatility in the price of cotton filled senior government officials with great anxiety.343 By 1956, John Carmichael was advocating increased taxation and government control over how private savings were allocated.344 But state imposed austerity and increased taxation threatened to deepen existing cleavages within the state. As a first step, government officials concluded that the Sudanese government needed to raise its rate of annual savings from LE 4 million to LE 6 million. Even factoring in the possibility of additional income, officials within the Ministry of Finance and Economics believed that financing their planned development projects could not be accomplished without external grants and loans.345

344 Ibid.
Instability in the cotton market did not fundamentally alter the government’s fixation with cotton. Senior officials held on to the belief that cotton grown on irrigated estates was the best investment that Sudan could make. John Carmichael reflected on this belief when he claimed that:

It is hardly true to say that the Sudan is dependent on cotton. A more correct statement would be that, without cotton, the Sudan could be more or less self-sufficient and self-supporting: with cotton, the Sudan can continue to improve its general standards of living and to lay aside funds for future development.\textsuperscript{346}

Carmichael’s view was illustrative of a common view held in the department that cotton would propel the country’s development. After all, Sudan was one of world’s cheapest producers of cotton. Even if cotton prices fell from their current price of LE 40 to as low as LE 7 per kantar at Port Sudan, Sudanese irrigated cotton would remain profitable.\textsuperscript{347} It was widely believed that no other crop grown in Sudan would yield the profits that Sudan earned from cotton. The government captured a large share of the difference between the LE 40 per kantar that it sold Sudanese cotton for internationally and the LE 7 per kantar that it cost to export raw cotton. The question for government officials marketing Sudanese cotton each year was what price to set for the cotton it sold.\textsuperscript{348}

\textsuperscript{346} John Carmichael, “Notes for the Minister of Finance and Economics for General Consideration in the Financial and Economic Field,” 24\textsuperscript{th} November, 1958, SAD G//S 1166 J. Carmichael.

\textsuperscript{347} An unspoken assumption of his was that the contemplated expansions of irrigated cotton-growing schemes would be able to produce cotton at similar prices. John Carmichael, “Notes for the Minister of Finance and Economics for General Consideration in the Financial and Economic Field,” 24\textsuperscript{th} November, 1958, SAD G//S 1166 J. Carmichael.

The government did not favor spot auctions at which cotton was sold at whatever price a buyer was willing to pay because it guaranteed Sudanese farmers a particular price at the beginning of the season, and thereafter preferred to sell all of Sudan’s cotton at one uniform price. Each season’s minimum selling price for a unit of cotton was then combined with an estimate of how much cotton could be grown during a particular harvest in order to project future government revenue. The possibility of tenant strikes and the utter dependence of communities on the income produced by cotton farmers made it difficult to reduce the income that the state paid them for their share of the harvest. In a community such as the Tokar Delta, finance officials estimated that six thousand cotton farmers supported seventy-seven thousand people. As early as 1956, cotton prices that were lower than expected began to cause hardships. Economic hardship put political pressure first on local governors and political notables who then communicated their displeasure to the Ministry of Finance and the Gezira Schemes Board, which were expected to maintain high payments to tenants.

**Formalizing the Planning Process and Financing Managil**

Finance officials after 1956 began working on improving their planning capacity, in part because they recognized that they would have to sell their country’s development ambitions to international donors. Planners at the Ministry began to prepare for the introduction of a multiyear plan built around achieving a target such as doubling the savings rate in proportion to Sudan’s national income. Finance officials admitted that they were not ready to introduce such a plan, but they expected to be able to do so in several years. In May 1957, finance officials

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349 Ibid.

estimated that the savings rate in relation to the national income of Sudan was less than 5 percent. However, in order to achieve growth in its per capita income, policymakers believed that the rate needed to be raised to between 7 and 25 percent of national income.\textsuperscript{351}

Planners in Sudan during the late 1950s were working with imperfect information. The basic, if problematic instruments, which were the hallmarks of planning in the 1960s, remained incomplete in Sudan.\textsuperscript{352} For instance, the first population census of the Republic of Sudan for the years 1955/56 was only completed in 1958, while the survey of Sudan’s National Income for the same years was published only in 1959.\textsuperscript{353} The figures from the census and the national income survey became available too late to influence the pre-military coup political debates. Lacking the data that became the mainstay of planning exercises during the 1960s, officials within the Ministry of Finance and Economics were confined to formulating budgets, intervening in the supply of credit issued by the banking sector, and altering the rates of taxation on imports and exports. There was no national income tax, and very little data on per capita income outside of gross estimates of consumption. All of these factors constrained the extent to which it was possible for planners to calculate the impact of their decisions on the economic matters, which remained hidden within their accounts. Rather than thinking about economic growth in broad

\textsuperscript{351} Central Government Budget Fiscal Year 1957/1958, Data Requested from the Government of the Republic of the Sudan by the International Bank for Reconstruction and Development, 30\textsuperscript{th} May 1957, SAD G//S 1166 J. Carmichael.
terms, the budgeting tools available to Sudanese officials primarily reported information back to them about the amount of capital available to the government and the rate at which new reserves would cover expenditures related to development.

In preparation for the introduction of a multiyear plan, after several years of annual plans, finance officials calculated that between 1957 and 1965, Sudan could generate a surplus of approximately LS 45 million from internal sources. With the addition of existing free reserves the government could employ a total of LS 60 million in developmental projects from its own resources. The time frame 1957 until 1965 was chosen for budgeting purposes because it coincided with the estimated completion of the Roseires Dam and the Managil Extension Scheme. The Ministry calculated that to complete these two projects would easily require twice as much capital as the LS 60 million that the Ministry optimistically suggested it could raise. Yet, even that sum was at best a rough estimate, and later forecasts suggested that Sudan’s actual capital resources were much paltrier. Taking into account the government’s current obligations, a pessimistic forecast of the amounts of money available following the implementation of the 1957/58 budget was as low as LS 10 million. Changing assumptions about the price at which Sudan could sell its cotton lay behind the varying estimates of how much revenue the state could raise. Uncertainty about the funds available for development led to a reluctance on the part of the Ministry to formulate a multiyear development plan, even as it remained steadfast in its commitment to the Managil Extension and the Roseires Dam.

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356 Ibid.
Questions about how to raise the funds necessary to carry out Sudan’s extensive development ambitions again dominated the agenda because of the 1957/1958 currency reserve crisis, which was a result of the inability of Sudan to sell its annual cotton crop at its minimum price.\textsuperscript{357} An additional factor was increased doubt about whether the Gezira Scheme Board, the government agency responsible for setting the price of cotton grown on government and private estates, was accurately forecasting the price at which the country could dispose of its cotton.\textsuperscript{358} The currency reserve crisis coincided with a renewal of political turmoil as the election of 1958 approached. The consequences of the debate within the Ministry about whether to dispose of the cotton harvest at substantially lower prices, or to attempt to horde the cotton until the next selling season in hopes of a recovery in world prices, fueled the political unrest. Political unrest occurred because the political system was deprived of the money, which usually fueled its system of patronage.\textsuperscript{359}

The failure to earn hard currency from the sales of cotton abroad meant that the bureaucracy was forced to ration how the country’s limited reserves were allocated. Finance officials suggested placing restrictions on the extension of credit to private enterprises. The most prominent users of credit were the private pump irrigation scheme owners. A reduction in plantation owners’ income was politically significant, because they were the most prominent source of funding for the Umma-PDP coalition government in power from June of 1956 until

\textsuperscript{357} 1957 forward sales of cotton at attractive prices inspired the Gezira Board to fix a high price for cotton and large US sales drove down prices, which were also harmed by the reappearance of Egyptian cotton and recession in UK textile industry. Report. IBRD, “The Economy of the Sudan,” February 25, 1958, SAD G//S 593/8/1-61/

\textsuperscript{358} While Sudan’s balance of trade may technically have remained in surplus, declining cotton sales meant that it was unable to earn the mixture of hard currencies necessary to cover imports from particular countries.

November of 1958. An alternative, limiting imports (because of the shortage of foreign currency reserves) would raise the price of imported coffee and sugar causing hardship for the urban population, salaried and wage labor. However, what the government hoped to avoid was a slowdown in the rate of investment in the state-led development schemes (which also required imports and therefore hard currency). The drop in cotton prices in 1957 was exacerbated by a world recession in 1958 that caused a decline in primary commodity prices while the prices for industrial goods (imports to the Sudan) remained steady.

Once it became clear that Sudan would not be able to fund its development ambitions from its internal resources alone, the political coalitions that dominated Sudan’s politics were forced to confront their own deliberate vagueness about their country’s international alignment. This vagueness both sustained and increased the vulnerabilities of the country’s political alliances. The essential question that Sudanese politicians faced was whether the country should tilt towards an economic alliance with Britain, even though British officials made it clear that Sudan would face disadvantages in its applications for development assistance and access to markets as long as it remained outside of the commonwealth. Sudan had little prospect of joining the Commonwealth because of domestic resistance to such a measure. The alternative was an economic alliance with Egypt, but this option served only to arouse long-standing suspicions that

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360 See Niblock for a longer discussion about the socio-economic foundations of the northern political class. Tim Niblock, Class and Power in Sudan 50.
Egypt would use its economic influence over Sudan to grant its own exports, principally cotton, advantages over Sudan’s products.\textsuperscript{362}

The responsibility for designing a development program that could be carried out under these circumstances fell to the Ministry of Finance and Economics.\textsuperscript{363} Ideally, officials within the Ministry of Finance and Economics hoped to turn to international financial institutions in order to raise additional capital. Yet Sudan faced two problems. One was that the most important international financial institutions, such as the International Bank for Reconstruction and Development, and the International Monetary Fund, would not allow Sudan membership or offer financial assistance until the country defined its relationship with Egypt, both by settling the issue of water rights and establishing its own currency. The latter the country achieved in 1957.\textsuperscript{364} The negotiations with international financial institutions could then continue, but they were severely hampered by divisions within the different political factions in the country. The strain of the envisaged investments on the Sudanese economy was expected to be large, but

\textsuperscript{362} “Sudan’s primary national interest is development, which must be primarily agricultural and not industrial.” Government officials confided in the American ambassador in Cairo that they would prefer assistance to come from the IBRD rather than bilaterally from either the United States or the USSR. There was also general disappointment in the level and types of assistance offered by Egypt. Letter. From Edwin Chapman Andrews to Selwyn Lloyd, “Report on Sudan in 1956,” February 28\textsuperscript{th}, 1957, TNA FO 371/125959/.

\textsuperscript{363} Prior to 1954, this organization was known as the Department of Finance, and with the advent of self-government in 1954 the department was upgraded to a Ministry. In 1956, the name was changed again to the Ministry of Finance and Economics. Changing names reflected more than simple shifts in the bureaucratic structure of the government, these changes also reflected shifting responsibilities. The Department of Finance was primarily a bookkeeping and auditing unit, principally concerned with balancing the various accounts of the Anglo-Egyptian government in Khartoum. Gradually financial officials in Sudan became involved in managing the finances of Sudan’s development efforts, and by 1956, officials within the Ministry of Finance and Economics began to see their role as not simply accounting, but rather as conceiving of and directing the development efforts through the lens of finance. ‘Abd al-Rahim Mirghani, Development Planning in the Sudan in the Sixties (Khartoum, Sudan: Graduate College of the University of Khartoum Press, 1983) 8-14.

\textsuperscript{364} For more on these issues see Ch.2.
manageable. In 1958, the International Bank of Reconstruction and Development mission calculated that Managil, together with the Roseires Dam, which would provide the water necessary for irrigation, would cost LS 70.7 million or about $ 202.5 million in 1958 dollars.\footnote{IBRD, “The Economy of the Sudan,” February 25, 1958, SAD 593/8/1-61, p. ii.} Large expenditures propelled the share of the government’s budget devoted to development from 15.3% in 1951 to 20% in 1955. However, it was estimated that by 1958 the actual percentages were closer to 35% of the budget. The IBRD mission to Sudan believed that the expenses associated with the expansion of irrigation in Sudan could be covered out of what it estimated might eventually be an additional LS 11 million per year increase in the country’s income from exports. The bank believed that it would take seven or eight years for the government to realize this additional income.\footnote{Ibid. Note also that in 1958 the unit of accounting became the Sudanese Pound (LS) instead of the Egyptian Pound (LE).} Between 1955 and 1961, the first two phases of the Managil Extension were completed, totaling 588,000 acres of additional land. Work continued on additions that eventually brought a total of 800,000 acres of land under irrigation.\footnote{“The Ten Year Plan of Economic and Social Development, 1961/62-1970/71,” p. 28.}

**The Pricing Dispute**

Nevertheless by 1957, John Carmichael, now an adviser to the Ministry of Finance and Economics, found himself advocating increased fiscal austerity and a general reduction in the price that the Gezira Schemes Board set for all of Sudan’s cotton. Hamza Mirghani, the Permanent Under-Secretary in the Ministry of Finance and Economics, adamantly rejected his proposals.\footnote{Memo, John Carmichael, “Notes for the Minister of Finance and Economics for General Consideration in the Financial and Economics Field,” SAD G//S 1166/2/5/ J. Carmichael.} Hamza Mirghani lost the immediate argument and the 1958/59 budget proposed an immediate reduction in expenditures from LS 48 to 38 million. Increased austerity brought
about a sharp drop in the support for all development projects other than the Managil Extension Scheme. The development budget for other projects was reduced to LS 5.5 million, and there was even discussion that the third stage of the Managil Extension Scheme should be postponed indefinitely, unless funding from the International Bank of Reconstruction and Development was guaranteed.\(^{369}\)

Despite the financial burden, John Carmichael was perhaps the most emblematic member of the camp that suggested that Sudan’s commitment to cotton was sound and that the country as a whole faced little more than short-term problem pricing cotton. He thought that the basic structure of the cotton export economy could be preserved. Sudan would have to be prepared to face altered terms of trade and perhaps have to find a new partner or partners willing to play the role that Britain had once played as a market of last resort. The answer according to Carmichael was for the country’s cotton to be priced correctly.\(^{370}\)

The 1958 International Bank of Reconstruction and Development mission to Sudan supported the view that Sudan could increase the quantities of cotton it sold, if it lowered its price thereby facilitating economic development. The mission concluded that following the liquidation of the UK Raw Cotton Commission in 1954, which had bought up to seventy percent of Sudan’s cotton crop, the Sudanese authorities had been too slow to adjust their cotton marketing strategies.\(^{371}\) The adoption of minimum prices and the abandonment of open auctions for cotton drove away many of Sudan’s traditional customers.\(^ {372}\) The assumption was that if Sudan simply adapted the price of its commodities, i.e. cotton, to the changed realities (by

\(^{369}\) Ibid.


\(^{372}\) Ibid.
lowering its profit margins), it would regain access to its former markets. Carmichael and the members of the IBRD mission both thought that the problem was that Sudanese politicians and officials overestimated their control over their own destiny. They believed that the Sudanese should accept the international market price. Carmichael advised that cotton price fixing by the Sudanese state was futile; the price of cotton was simply the product of “competitive bidding.”

He argued that: “there is no formula for assessing the precise parity from day to day or even month to month. Instead there will be one price at which one spinner will be prepared to carry on using Sudan cotton: another spinner may well have another view.”

Carmichael was aware of the vulnerability of the Sudanese economy explaining, “Sudan must sell crop quickly…because only thus can its foreign reserves be maintained at levels that would permit an uninterrupted program of development.”

Carmichael accepted the necessity that the “existing standards of living might have to be depressed temporarily.” Reducing national consumption would increase national savings that could then be invested in economic development. While the state could not control the price at which it sold its cotton in order to increase the revenue available to the state: the answer was to sell more cotton. This could be achieved by irrigating ever more land.

The Permanent Under Secretary to the Minister of Finance and Economics, Hamza Mirghani disagreed with Carmichael and the IBRD mission’s views about how to market Sudan’s cotton. Hamza Mirghani felt that there had been a series of structural changes in the world’s demand for cotton. Thus, Hamza suggested that Sudan would be unable to increase or

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374 Ibid.  
375 Ibid.  
376 Ibid.  
even maintain its current level of cotton sales while maintaining profitable price levels. Hamza suggested that Sudan not lower the price of its cotton immediately to retain its market share. Instead, he argued that Sudan should try to receive the best possible price and funnel the earnings immediately into a diversification fund in the face of what he perceived as a long-term structural transformation in the global cotton market.\footnote{One part of the disagreement between John Carmichael and Hamza Mirghani Hamza had to do with the extent to which American subsidies of short-staple cotton, particularly selling through the Commodity Credit Corporation, were suppressing the price of cotton only in the short-term and to what extent Sudan as a lower-cost producer could regain its pricing flexibility in the future once American policy stabilized. Carmichael believed that American subsidizes and the large amount of uncertainty that surrounded American pricing policies during the 1950s had artificially lowered the price of cotton, while Hamza Mirghani Hamza believed that the fundamentals of the international cotton market had simply changed. Letter. From Hamza Mirghani Hamza to Sir J. Carmichael, February 1\textsuperscript{st}, 1958, SAD G//S 1166/1/4/ J. Carmichael; Memo. J. Carmichael, “Managil Extension,” January 27, 1958, SAD G//S 1166/1/4/ J. Carmichael.} Mirghani pointed out that the “new markets of China, Japan, Asia generally were focused on short staple [cotton],” not the long staple variety Sudan traditionally produced.\footnote{Sudan traditionally exported the ‘long staple’ variety of cotton often known as Bakarat, which was used in the production of high quality textiles. One problem was whether or not there would continue to be sufficient seasonal labor to continue to work the cotton estates. In 1958 already Gezira was importing Eritreans, West Africans, Kordofanians and Darfurians as seasonal laborers. Letter. H. M. H. to Sir John [Carmichael], January 2, 1958, SAD G//S 1166/1/4/./} He also expressed concern about the structure of the labor market in the country, and doubted whether more labor could comfortably be directed towards the further development of Sudanese cotton estates.\footnote{One problem was whether or not there would continue to be sufficient seasonal labor to continue to work the cotton estates. In 1958 already Gezira was importing Eritreans, West Africans, Kordofanians and Darfurians as seasonal laborers. Letter. H. M. H. to Sir John [Carmichael], January 2, 1958, SAD G//S 1166/1/4/./} The debate between Carmichael and Mirghani in many ways grafted onto a larger debate in the decolonizing world about how to jump start development.\footnote{For a history of some of the debates surrounding the application of the development paradigm, see: Gilbert Rist, \textit{The History of Development: From Western Origins to Global Faith} (New York, NY: Zed Books, 2009) 69-93.} Mirghani Hamza argued a position that might be interpreted as a
modified form of “export pessimism.” He explained that the export prices of commodities were in long-term decline, and that only diversification and increased production for the domestic market would be capable of reversing Sudan’s declining terms of trade.

Those who believed that the reserve price that the Gezira Scheme Board set for Sudanese international cotton sales was too high won the argument within the Ministry of Finance and Economics when the military regime came to power. Sudanese officials decided that expanded production would offset a reduction in the price per kantar at which cotton was disposed. If this was combined with a determined government effort to reduce national consumption and the amount of money spent on political costs such as patronage and labor, finance officials believed that stability could be restored to government revenues and the economy returned to a path of economic growth.

The military appeared to offer a solution. It could end the political infighting that was raising the cost of politics among the northern elite while resisting demands for scarce capital to be siphoned off to social and economic development projects in the periphery. However, not everyone within the Ministry agreed, and the Permanent Under-Secretary in the Ministry of Finance and Economics Hamza Mirghani, left his post once the military regime came to power. He then assumed a position at the International Monetary Fund, beginning a pattern of rotation that would be followed by other officials between the national government and international financial institutions.

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Conclusion

The period from 1954 until 1958 was remarkable not only as a period of change in the government’s stewardship of economic growth and development, but also as a period of political unrest. Even as finance officials enjoyed the euphoria of political independence, policymakers within Sudan quickly ran into a series of economic roadblocks, which emerged as a result of having lost the economic security provided by the imperial cotton market that at least during the Second World War and its immediate aftermath had offered stable high prices for Sudan’s main export: cotton. With independence, Sudanese policymakers found themselves vulnerable to fluctuations in international commodity markets, and without imperial aid, they were unsure of how to buffer the state’s coffers against rapid price fluctuations. Sudanese policymakers continued to have faith in king cotton as the engine to the country’s development. At the same time, a surplus of cotton on world markets meant that traditional buyers of Sudanese cotton, such as Britain, France and other commonwealth countries such as India were less willing to pay premium prices for Sudanese cotton. This created a new challenge for finance officials planning and budgeting under conditions of uncertainty. When we look back at how postcolonial decision-makers operated we can see the extent to which they principally aimed to make decisions that negated uncertainty, even taking great financial risks if those risks appeared to be calculable. However, risk could not be easily managed after independence. It was hard for finance officials to figure out the return on often distant and new types of economic schemes and even to accurately estimate the price of cotton on a highly competitive world market. Rising costs and a reduced price for commodities pushed Sudanese authorities to attempt to lower their own political costs. One method of reducing their own political costs was to abandon the
patronage system involved in democratic elections; the other was to stop redistributing wealth from the economic core of the country to fund the development of the periphery.

The military and the technocrats that the military recruited believed that they could replace the legitimacy of a government based on competitive elections and representative democracy with a new type of legitimacy earned as a result of economic growth. Growth starting in 1959 could be calculated as a result of national income accounts and easily communicated as a rise in per capita income. The belief was that a regime which showed progress in economic development would win the support of at least the most economically and politically relevant portions of the population, legitimating the government, even as there was a search to find a better way to govern than electing representatives to parliament.
Chapter 4: The Military, Planning and Economic Growth: The Search for Legitimacy, 1959-1964

The first two chapters of the dissertation describe how after World War II, finance officials in Sudan confronted the challenge of defining their planning mandate. This entailed both determining the authority to which finance officials should report and how to choose between often competing government aims, for example, social welfare, regional autonomy and financial prudence. By the time Sudan attained self-government in 1954, finance officials’ had won acceptance for their argument that the country’s economic policies should be formulated primarily in terms of prioritizing the financial interest of the Sudanese state. The third chapter of the dissertation focuses on the second half of the 1950s and addresses how officials within the Ministry of Finance struggled to evaluate the efficacy of economic policies. As the Sudanese state became more representative and increasingly committed to development, officials needed to demonstrate that their financial policies benefited both the people and the state. In the absence of a direct means of measuring the impact of their policies, finance officials used proxies to justify their decisions. Yet these indicators rarely demonstrated a direct correlation between economic policy and the welfare of the Sudanese people. Still, officials and politicians often defined the aim of their economic policies by invoking the principles of development. The politicians defined development as taking actions in order to insure increased “production to meet the demand for better and higher standards of living for an increasing number of people.”

Even as policymakers fashioned policy using the rhetoric of development, in practice, they continued to evaluate policies in regards to their impact on the budget of the central government or on the state’s reserves of foreign currency.

The current chapter begins in 1959 and addresses the development of new economic tools of measurement, which purported to directly measure the impact of policy on the welfare of the Sudanese people. By 1959, finance officials had come to view the per capita growth rate, calculated as a result of manipulating the Gross Domestic Product and derived from the tabulation of national income accounts, as the most effective and accurate means of interpreting economic performance. The year 1959 was also when finance officials resumed the practice of developing and working from multi-year economic plans. The structure of the new plan differed from that of the previous two plans, which had been solely concerned with the allocation of capital, because the proposals included in the new plan were all targeted towards realizing a particular growth rate. By directly incorporating a target per capita growth rate into the plan, Sudanese officials and politicians promised that if the government were allowed to follow its policies, both Sudan and the Sudanese people would become wealthier. For the military regime, which came to power during the last months of 1958, the ability to measure and demonstrate that the regime’s policies could improve the living standards of the Sudanese people was an alternative source of legitimacy to winning elections.

The use of national income estimates to set targets for planning became possible in the years after 1959 because of the publication of a national census and the country’s first national accounts. Morten Jerven has accurately noted the extent to which both cross-national and temporal accounts are riddled with discrepancies that make comparisons difficult, aside from the broadest discussions that some countries fit into different bands of income. Most African countries faced significant challenges in building up the statistical capacity necessary to accurately collect data, and then in deciding how to classify various types of activities. For a discussion of national income accounting, its origins and its relationship to metrics such as GDP and GNI, see: Morten Jerven, *Poor Numbers: How We Are Misled By African Development Statistics and What to Do About It* (Ithaca, NY: Cornell University Press, 2013): 9-11.

Finance Department, Sudan Government, *Five Year Plan for Post-War Development*(Khartoum, Sudan, 1946) and Finance Department, Sudan Government “The Sudan Development Programme 1951/56” (Khartoum, Sudan, 1953).
income survey earlier that year, each of which provided baseline data. A commitment to producing annual national income estimates over the following years, allowed for the publication in 1962 of the Ten Year Plan for Economic and Social Development, 1961/62-1970/71. In the formulation of this plan, raising the growth rate was identified as the prime indicator of policy success. The amount of revenue earned from sales of cotton or even the profitability of individual schemes no longer served as an adequate measure of economic progress. Instead, the success of economic policy, specifically the large-scale investment in cotton cultivation, would now be measured by the extent to which this investment increased national income.

Reframing the aim of government policy away from particularistic measures such as the amount of revenue generated by the export of particular commodities, and towards a commitment to counting the total economic activity taking place within the country, in theory allowed finance officials to reflect a broader spectrum of the potential drivers of growth in their measurements and eventual decision-making. When national income was divided by the population, it provided the real GDP per capita figure, which when compared with previous years, resulted in the growth rate. Aggregate indicators, such as GDP, created a uniform image of economic progress despite the presence of stark inequality within Sudan. In the process, these indicators’ inability to reflect regional inequality often had the effect of justifying policies that reinforced it. In part, regional inequality was the result of decades of government

390 Jerven, Poor Numbers 10.
decisions to invest in certain areas of the country and not other areas. The conventions of national income accounting, and the addition of a statistical office to the central government, rather than the regional authorities, made it easier to visualize the inequality in wealth between Sudan and Britain or Sudan and Turkey than it was to recognize, for example, the inequalities between the Omdurman, Sennar and Kosti triangle and the rest of the country.

The central argument in this chapter is that while evaluating economic policy on the basis of changes in per capita GDP over time highlighted the disparity between the wealth of the Sudanese economy and the economy of other states, it ignored the growing disparities in wealth within Sudan. Consequentially, the presentation of data exacerbated the biases that policymakers already held, as it focused their attention on accelerating the national growth rate. Two impulses lay behind finance officials’ decision to use changes in national income to judge the economic performance of the government after 1958. The first impetus was the international evolution in the practice of economic data gathering and reporting during the 1950s. This evolution was marked by the widespread adoption of practices like national income accounting and the calculation of per capita GDP. However, international norms alone do not explain the adoption in 1958 and subsequent prominence in policymaking of national income accounting;

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391 For a discussion of how the rhetorical reframing of ideas about how to define the economic wellbeing of the nation and how that wellbeing should be measured in Brazil allowed a particular region to define its economic success as synonymous with the economic success of the nation, see Barbara Weinstein, “Developing Inequality,” *The American Historical Review* 113.1 (February 2008).


instead, circumstances within Sudan made a shift in the calculation of the state’s economic performance imperative.\textsuperscript{394}

The second spur was increased fluctuation in the price of cotton. From 1954 until 1958, fluctuations in the price of cotton had created doubt about Sudanese officials’ financial projections, and therefore had reopened the debate about the rationale behind the state’s investment decisions. Finance officials believed that moving away from a focus on the annual contribution of the cotton crop to the country’s budget and particularly its reserves of foreign currency would strengthen the argument for continued investment in irrigation.\textsuperscript{395} Because national income accounts attempted to tabulate the totality of economic activity within a particular economy, finance officials could use this data to model the impact of investing in cotton cultivation on the economy as a whole, demonstrating where and how much growth might occur in the future as result of immediate spending.

\textsuperscript{394} Beginning in 1947, the United Nations sought to create a system of national income accounts that could be standardized and deployed by all member states in order to further the project of international comparison. In 1953, these standards were finally enshrined in a manual, which could be followed by the statistical offices of various states. For a basic timeline of the development of national income accounts please see the website of the United Nations Bureau of Economic and Social Affairs, “Historic Versions of the System of National Accounts,” (2012): http://unstats.un.org/unsd/nationalaccount/hsna.asp. Accessed: 6/16/2012.

The second reason for the spread of national income accounting was that it became a necessity for membership in the United Nations, as the income of member countries had to be calculated in order for individual member country dues to be calculated. Studenski, The Income of Nations 152 and 155.

\textsuperscript{395} Until 1958, finance officials used the simple formula of F=D-A to estimate shifts in the country’s ability to retain capital savings. They thought of F as the total amount of foreign reserves within the country. D equaled the amount of foreign reserves that were present in government or private banking accounts and A equaled the amount of money advanced from those accounts.

Finance officials believed that if they demonstrated that capital-intensive investment over a short period of time could raise national living standards, despite a few years of sacrifice, political support for their plans could be maintained. During the 1950s riots had repeatedly plagued the three cities of Khartoum, Khartoum North and Omdurman as the various political parties jockeyed for power. Senior officers in the military as well as finance officials believed that if economic growth could be demonstrated, especially growth in the most developed region of the country spanning from Omdurman to Kosti and Sennar, increased political and social stability in the core regions of the country and the periphery would follow. The size of the cotton sector, and its location in the most politically influential area of the country, meant that even with the application of new techniques of economic measurement, the success of the cotton producers continued to represent the fortune of the Sudanese economy in the eyes of government officials in Khartoum. In the Sudanese case, national income accounting decreased the visibility of regional inequality, and therefore reinforced a tendency of the governments in Khartoum to invest capital in a manner that exacerbated regional inequality rather than alleviating it. The presentation of economic data made it easy for finance officials and military leaders to believe that policies that accelerated the growth rate strengthened the county as a whole. However, the growth rate was not the principal way in which the population

396 Prior to the surrender of authority to ‘Abboud the leaders of the PDP were indeed threatened with death if they did not agree to the American gifts of aid and British gifts of arms. Then the NUP, Southern Liberation Party and the Front Opposed to Colonialism issued a statement on July, 1st, 1958 condemning the American aid and the turn to the West. Following that al-Azhari violently attacked ‘Abdullah Khalil saying that he was little more than another copy of Nuri al-Said. However by 21 October 1958 ‘Abdullah Khalil was facing numerous attacks from student unions at University of Khartoum, Cairo, and the Union of Workers attacking the Government. Al-Amin ‘Al-Fariq Ibrahim ‘Abbud 47-74.

interpreted their daily lives as economic actors, and therefore despite raising the growth rate during the 1960s, officials encountered mounting political and social discontent. In 1964, this escalating discontent led to severe riots in Khartoum and the subsequent fall of the military regime.

The Rise of the Military

1959 was not only a year of reform in the Ministry of Finance’s methods of measuring economic performance; it was also a year that witnessed massive political change. The military officers who came to power at the end of 1958, proclaimed their desire to quickly restore the civilian government. However, over the next several months the senior officers in charge of the new regime began to get accustomed to holding the reins of power and their intentions of merely acting as a caretaker government until new elections were held, waned. At first glance, the shift in the way in which officials described, measured and demonstrated the country’s economic performance might appear to be unrelated to whether civilian politicians or military officers ruled in Khartoum. However, the changes were a response to the same problem. The declining and increasingly unstable price of cotton threatened the political and economic hegemony of the cotton elite. This elite had inherited political power as the British departed. In the years after Sudan achieved self-governance in 1954, the political power of the cotton growing elite reinforced its economic power. Consequently, the government poured the vast majority of its resources into the cotton growing sector, overwhelmingly located in the central riverain area from Kosti to Omdurman to Sennar. This area when expanded to include the stretches of the Nile extending from Khartoum north to the border with Egypt and along the Atbara River was the homeland of the political elite. That the most economically and politically advanced regions of the country overlapped was not a coincidence. In part this region’s economic privilege was
insured by its ability to continually receive the majority of the state’s investments. Initially, finance officials were able to take for granted that the expansion of the Managil Extension Scheme would be in the interest of the state and Sudanese society at large. However, demand shifts and volatile cotton prices combined to create doubts about the wisdom of the government’s investment decisions, and therefore necessitated greater clarity about how the state’s policies actually benefited Sudanese society. The introduction of national income accounting and a focus on the growth rate were both attempts by state officials to communicate the impact of their policies to their increasingly restless constituencies.

The fall in cotton prices starved the main political parties of their primary sources of financing, and magnified the importance of external financial support from such countries as Egypt and Britain. At the same time, the 1958 election was more expensive than the 1953 election and the prospect that another election might have to be fought shortly, as the coalition government that resulted appeared frighteningly unstable, scared the cotton growing elite that funded and supported the principal parties. Despite their deep political differences, the leaderships of the various northern political parties were committed to investing state resources in irrigated cotton. This commitment stemmed in part from the fact that large segments of the parties’ constituencies worked as laborers, landowners or tenant-holders were involved in the production of cotton. Still, the religious parties such as the Umma party and People’s Democratic Party (PDP) were unable to consolidate power during the years immediately following independence. Therefore, other political forces were able to enter the contest for power: southern politicians, trade unionists, professional associations, the Communist party, the

urban-based Muslim Brotherhood and decisively the military.\(^{399}\) By the end of 1958, government officials feared that the introduction of new groups into the political sphere would make the state’s economic strategy a subject of debate once again, possibly leading to a shift in investment patterns.\(^{400}\)

The solution that the two principal parties in the governing coalition reached was to allow the army officers to take control.\(^{401}\) The Umma party had ties to the cotton growers and the People’s Democratic Party had strong ties to the military. Prime Minister ‘Abdullah Khalil of the Umma party wanted the army to govern for a short interim, until the state was able to stabilize its development plans. Major-General Ibrahim Abboud stood at the head of the military junta.\(^{402}\) In his first broadcast after the coup, he announced that the military was temporarily assuming power until “the mess could be straightened out, stable economic and political conditions restored, and the army returned to its barracks.”\(^{403}\) Once the state’s development plans were on course and cotton revenues had returned to a respectable rate, politicians expected that the political parties would once again have sufficient income to contest elections and to spend on the

\(^{399}\) Woodward, *Sudan, 1898-1989*.


\(^{401}\) al-Sharif ‘Ali, *al-Şirā al-Siyasiya ‘ala al-Sudan* 903-904

\(^{402}\) Abboud was the senior ranking officer in the Sudan Defense Forces, and a number of historians have speculated that there was a high degree of collusion between the senior officers within the SDF and the political leadership in the transfer of power. The man who Ibrahim Abboud eventually replaced was after all none other than Prime Minister Abdullah Khalil, who had himself once been the senior Sudanese officer in the SDF. This close connection, as well as alleged conversations between Abdullah Khalil and Abboud which emerged during the commission of inquiry into the October 1964 revolution, created the impression that the coup happened with the active support of the Prime Minister.


\(^{403}\) Statement broadcast by Ibrahim Abboud, November 17, 1958.
patronage necessary to integrate political voices that had been alienated from the northern riverain consensus.

Economically, the military pursued policies virtually identical to those articulated by the previous civilian regimes: for example, the military continued to invest heavily in the Managil Scheme. In the short term, the military’s strategy for increasing the country’s growth rate was to accept foreign aid and to increase the amount of cotton it sold on the international market. During the early 1960s, economic aid appeared to be a more secure source of short-term capital than the fluctuating revenue derived from cotton sales. The military’s willingness to forge ahead with its development plans by securing international capital, however, constituted an immediate contrast with the indecisiveness of the civilian governments.

**Economic policymaking under the Military 1959-1960**

The military regime marginalized prominent political leaders, replacing them with soldiers and technocrats who implemented policies designed to please the maximum number of audiences. Military leaders believed that significant navigating room could be restored for Sudan to execute its economic policies if the country’s international neutrality was preserved. One of the complaints made by Sudanese politicians themselves was that in order to compete with one another they had been forced to seek international patrons, Egypt, Britain, the US and even Israel. By 1960, the military had reaffirmed its neutrality, which allowed the Sudanese to accept aid from all parties. Neutrality was defined as “impeccable third world orthodoxy,”

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405 Bechtold *Politics in the Sudan* 201.
friendly relations with the major powers in addition to support for “world peace, African unity, Arab unity, non-alignment”. Despite improved relations with Egypt and China, the military officers remained primarily aligned with the West. As a result, in 1959, Sudan began to receive substantial capital inflows from the International Bank of Reconstruction and Development (IBRD), the International Monetary Fund (IMF) and the United States, Great Britain, the Federal Republic of Germany as well as from Egypt.

The military government’s ability to maintain good relations with all of Sudan’s major diplomatic partners was felt almost immediately. With the military in power, loans began to flow in, allowing Sudan to speed up the implementation of its development projects. Two weeks after coming to power, the high council of the military decided to accept American economic aid. The officers also immediately worked out an agreement with Egypt about how to allocate Nile water rights. The treaty signed on the 25th of November 1960, cleared the way for the development of massive irrigation and hydrological works using Nile water. The military regime was able to maintain cordial relations with Nasser, despite ongoing difficulties defining the trade relationship between Egypt and Sudan. On January 6, 1959, the IBRD agreed to

408 All the while, Sudan managed to remain uncommitted to regional groupings such as the Casablanca Charter or the Monrovia Conference. Ibid.
410 Al-Amin Fariq ‘Abbud 70-71.
411 One of the items of contention was the whether or not Egyptian goods would continue to have duty free access to the Sudanese market, and to what extent Egypt should be allowed to subsidize its exports to Sudan in order to counteract the effects of tariffs. By 1960, the Foreign Office estimated that upwards of 68% of Egypt’s cotton was being sold to the Soviet Union, and there was some talk that the UAR and Sudan could coordinate cotton sales allowing Egypt to increase its sales to Sterling Area countries in exchange for increased Sudanese sales to the Soviet Union. Letter. From Sir E. Chapman Andrews to FO, Nov. 17, 1960, TNA FO 371/150919; Dispatch. From Commercial Secretary to Department, June 29, 1960, TNA FO 371/150919; Letter. From
assist with the development of Sudan’s railroad network.\textsuperscript{412} The Sudanese Cabinet ratified IBRD loans for the Managil Agricultural Extension Scheme on July 1\textsuperscript{st}, 1960.\textsuperscript{413} The IBRD loans obligated the Sudanese to resolve their disputes with Egypt about increasing the amount of water that was withdrawn for irrigation from the Sennar Dam. Resolving this issue was a precondition for Sudan receiving further international loans.\textsuperscript{414}

As finance officials began to prepare the 1959/60 budget in late March, the largest sources of foreign loans and aid were the British Export Credit Guarantee Department, which promised credits of LS 5 million, the IBRD and the German Government, each of which was offering around LS 2 million. The IMF made a credit facility of roughly LS 1.7 million available, and the United States’ International Cooperation Administration offered loans of up to LS 2.6 million. However, Sudan’s financial position was weakened by the need to repay LS 3 million in loans to Barclays DCO. Sudanese policymakers were also hoping to favorably resolve their claim that Egypt owed them LS 9 million. Despite the increased funding flowing into the

\textsuperscript{412} By March 1959 the western railroad extension to Nyala was almost completed, and work was beginning on the extension towards Wau in southern Sudan. Work was also beginning on the relaying of the Kassala—Gedaraf line, and a refurbishing of the Port Sudan quay. See: Back to Office Report: J. A. McCunniff to J. F. Main, April 14, 1959, WBG Administration 01, 1741653, Box # 172006B.

\textsuperscript{413} Memo. M. A. Burney to Richard G. Bateson, “Sudan,” July 19, 1960, WBG “Sudan—Expansion of Railways and Water Transport Facilities Project, Administration 03,” No. 1741655, Box # 172007B.

\textsuperscript{414} Letter. From J. Carmichael to Hamza Mirghani and Mamoun Beheiry, “Nile Waters,” January 24, 1959, SAD G/S 1166/2/4/.
country, finance officials remained nervous about their ability to secure the resources necessary for “real forward development planning.”

Such officials as Mamoun Beheiry, the deputy permanent under-secretary in the Ministry of Finance and Economics, believed that political stability and a regime willing to listen to technocratic advice were all that was needed for a return to economic growth. Abdel Rahim al-Mirghani, the author of the *Ten Year Plan for Economic and Social Development* and the head of the planning apparatus during the military regime, reflected later that he and his peers did not intend to “bring about radical change in the social order.” Instead, their emphasis was on “economic development and consequentially improved social services.” Economic growth in the already developed parts of the Sudanese economy would be encouraged before investment to reduce social or regional inequality. The emphasis on preserving the country’s social order was maintained despite al-Mirghani’s belief that Sudan was “a country whose social order [was] based on various age old traditions, beliefs, practices, etc. some of which were inimical to growth and progress.” The senior ranks of the military and the finance officials they employed, many of who had previously been in the civilian government, were hardly revolutionaries. Instead, they were socially and politically conservative, and keen to continue

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415 Memo. J.C. to H.M., M.B. and A.R.M., “Financial Position—General Considerations,” March 24, 1959. SAD G//S 1166/2/5/. An additional complication was the pressure on institutions such as the railways by international lenders to sequester funds lent to the railways preventing the central government from using its funds flexibly to balance the government’s overall current account positions. Note. From H.J. Van Helden to Sayyid Mamoun Beheiry, “Loan No.: 202-SU,” April 29, 1959, WBG “Sudan—Expansion of Railways and Water Transport Facilities Project—Administration 01,” No. 1741653, Box # 172006B.

416 Mamoun Beheiry *Glimpses* 109; and Bechtold *Politics in the Sudan* 200.


418 Ibid.
investing in the regions and sectors that had traditionally received the majority of the government’s support.

While finance officials officially acknowledged the need to develop agricultural estates away from the Nile, they believed that the development of schemes located along the river would have the biggest economic impact and therefore should be the clear priority. Officials rationalized that the profits generated in the major riverside irrigation schemes could later be redistributed to other areas of the country. The allure of this theory survived despite the fact that the price of cotton continued to fall.

John Carmichael, senior advisor to the Ministry of Finance, wrote to the new Minister of Finance, Sayyid ‘Abd al-Magid Ahmed, in early January, less than two months after the coup, to advise that “the new regime was determined to put things right,” and that the country’s cotton should be sold “at what the world decides it is worth.” Carmichael argued that even if Sudan sold its cotton cheaply, this was preferable to not selling cotton, as it would allow the government to continue to earn foreign exchange and to accelerate its development plans. Carmichael’s logic was encapsulated in the following advice for the new Finance Minister Ahmed:

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420 In addition, the United States and the United Arab Republic pushed for an international moratorium on expanding the amount of land devoted to the cultivation of cotton. At the same time, the United States increased its subsidies for cotton exports. Note. From Muhamed Abdel Maged Ahmed to The Permanent Under Secretary. “Eighteenth Plenary Meeting of the International Cotton Advisory Committee,” March 18, 1959 NRO Finance 3-A/28/8/33; The USA has been offering direct export subsidies of about 25%, while in Egypt discounts of upwards of 37.5% were being allowed on cotton exports. These subsidies were then paid for by taxes on imports. Note. J. Carmichael, “Devaluation,” March 26, 1959, SAD G//S 1166/2/4/.
If you get the third phase of the Managil in a year earlier because of this you would recoup far more than the 10% [discount offered on your cotton] and at the same time you will have been capturing new buyers, as you must with increased production.\footnote{From J. Carmichael to Abdel Magid. January 2, 1959, SAD G//S 1166/2/4/.}

Increasing the amount of land under cultivation also reduced the chance of a below-average crop.\footnote{Memo. J. Carmichael, “Summary of Financial Movements in 1959,” May 2, 1959, SAD G//S 1166/2/4/.}

Returning to his old debate with Mirghani Hamza, Permanent Under-Secretary of Finance, Carmichael argued that “it is not a question of following world prices: you must find out at what price you can sell cotton at the required rate [i.e. speed].” Yet, in a reversal of his position from a few years earlier, Carmichael acknowledged that long-staple cotton would not bring a significant premium over other varieties. Instead, he argued that in order to dispose of Sudan’s increased production of cotton “you will have to persuade your old customers as well as your new customers to accept your cotton for new purposes, i.e. it must push out other growths and it is beyond the wit of man to know at what price level you will achieve this.”\footnote{Letter. From J. Carmichael to Mirghani Hamza, January 4, 1959, SAD G//S 1166/2/4/.} Therefore it was no longer the predictability of cotton revenues that made the crop attractive, but the promise that increased sales of cotton could rapidly increase the amount of revenue available to the state, even as there was a growing acknowledgement that the size of the potential windfall would be unknown.\footnote{Ironically, even as US sales of cotton put pressure on the economic sustainability of keeping cotton as Sudan’s principal export crop, promises that the US would supply Sudan with PL 480 wheat diminished the potential benefits of diversification. After all, the United States agreed to provide Sudan with wheat at prices below the levels at which Sudanese agricultural producers could market equivalent food crops. J.C to H.M., M.B., A.R.M., “Wheat,” SAD G//S 1166/2/5/.}
The top policy minds within the Ministry of Finance and Economics discussed harsh spending reductions outside of the allocations for the Managil Scheme in order to put development back on track in 1959 and 1960. Carmichael discussed with Hamza Mirghani, Mamoun Beheiry and ‘Abd al-Rahim Mirghani, senior members of the Ministry of Finance, the need to limit private capital investment and to pressure banks to retain as much capital as possible instead of lending it out. Finance officials urged policy makers to resist the temptation to embark on new development projects or increase spending on welfare, health or defense until the Managil Scheme was on track. This strategy obviously severely restricted government spending in the provinces of the periphery. One consequence was the further alienation of many communities from the central government.

Measures passed in 1958 had already reduced imports of consumer goods to very low levels. These measures gradually began to relieve Sudan’s foreign exchange position.

However, the military was not able to introduce its economic policies without turmoil. 1959 was a year of administrative confusion in Sudan. While the dissolution of parliament was
expected to bring political tranquility, officials were left struggling over how to work with one another within a bureaucratic hierarchy that lacked clear lines of authority.\textsuperscript{428} In addition, Minister of Finance Ahmed was unable to why his Ministry’s expertise should have given it a managing in the negotiations with Egypt over Sudan’s water resources. Ahmed’s failure occurred despite the fact that water was the principal driver of the country’s economic performance.\textsuperscript{429} Criticizing Ahmed, Carmichael wrote that:

\begin{quote}
The determination of the amount of water, which can be made available and the best sites for dams is entirely an engineering problem and therefore the sole concern of the Min of Irrigation. But when it comes to considering how the available water is to be shared between two countries, the problem becomes an economic, political and social problem with little engineering in it.\textsuperscript{430}
\end{quote}

Transforming a colonial Department of Finance, concerned primarily with budgeting and assessing government revenues into a full-blown planning apparatus was a difficult task. It involved not only redefining the expertise of finance officials away from basic accounting towards financial and economic reasoning, but also an attempt by finance officials to assert their primacy in relation to other units of the government. Finance officials were largely successful in inserting economics into the main language of policymaking, but the dominance of finance officials remained incomplete during the early 1960s. Even when and where financial and

\textsuperscript{428} Letter. From Abdel Magid Ahmed to J.C., “With reference to your note to me dated 24/11/1958...,” SAD G//S 1166/2/5
\textsuperscript{430} Memo. From J.C. to the Minister, “Processes of Government,” March 16, 1959, SAD G//S 1166/2/5.
economic expertise was acknowledged as central, finance officials’ voices were often ignored by the military officers especially when it clashed with political objectives. As early as March 1959, officials in the Ministry of Finance and Economics had begun to complain that military leaders were resistant to their efforts to restrict the growth in government spending and to raise additional revenue through taxation. The policy of fiscal restraint included increasing the import and excise duties. Development spending for 1959 fiscal year was cut by more than 45%. The policymaking goal was to hold expenditures on development down to less than LS 8.2 million for the 1960 fiscal year. High duties on imports or cuts to government salaries faced resistance because they punished the politically powerful urban constituencies.

In addition, there were limits to the extent to which increased revenue could be extracted from the semi-governmental cotton exporting schemes, which provided the backbone of the state’s financial position. For instance, despite the partial recovery under way in the cotton markets, during the 1958/59 season, the Gash Board was unable to meet its obligation of a 10% interest payment to the central government. On the Gash Scheme, additional revenue from increases in the price of cotton was negated by a failure to expand production as much as was initially expected. Ever rising administrative expenses were a problem, despite a reduction in the number of field accounting and storeroom employees. The Ministry of Finance and Economics also had difficulties finding sufficient numbers of inspectors to monitor and administer its financial commitments to tenants on estates such as the Nuba Mountain cotton

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schemes. Yet, the Gezira Scheme Board and the White Nile Scheme Board were returning to profitability and their management was providing optimistic reports about profits from cotton exports. There were also concerns about the inability of the state to staff itself adequately with trained officials, as Sudanese graduates increasingly moved from the state into the private sector. Initially, progress was achieved despite the fact that expert advice was only partially followed, because foreign aid and open auctions to determine the price of cotton increased revenue. These changes gradually improved Sudan’s foreign exchange reserve position and began to restore economic growth.

435 ‘Abbas Musa to Permanent Under Secretary for the Ministry of Finance and Economics. “Nuba Mountain’s Farmers Welfare Fund,” August 2, 1959, NRO Finance 3-A/28/16/63/; and additional complication was the lack of a unified law governing how the various welfare funds and saving schemes for different tenant farmers could be accessed and mobilized to fund capital expenditures or other purposes. The lack of a unified law meant that Ministry of Finance staff had to be devoted to each scheme. In particular since 1950 the opinion of the Gezira Tenants Association had to be taken into account in decisions to access the Gezira Farmer’s Welfare Fund. Letter. From ‘Abbas Musa to al-Rashid Mirghani, September 9, 1959, NRO Finance 3-A/28/16/63/; and Note. ‘Abbas Musa, “Minutes of the Special Meeting on the Farmers’ Welfare Fund: Gezira, Gash, White Nile, Tokar Delta and the Nuba Mountains,” September 12, 1959, NRO Finance 3-A/28/16/63/; The ability of the government to regulate the operations of agricultural schemes such as the White Nile Schemes Extensions were constrained by the fact that it was not a government agency, but rather a semi-government establishment. See: Letter. From ‘Awad ‘Abd al-Ajid to The Honorable Sayyid Governor of Khartoum, “Cotton: White Nile Schemes Extensions,” NRO Finance 3-A/28/13/47/.


437 Consequentially, there was a decision in 1960 to direct university graduates to fulfill their three-year requirement for public service before they were able to move into the private sphere. This ensured for instance that the railways would receive two or three graduates each year. Memo. “Africanization as it affects the railways in the Sudan, Nigeria and Rhodesia,” April 11, 1960, “Sudan—Expansion of Railways and Water Transport Facilities Project—Administration 03,” WBG No. 1741655, Box # 172007B.

Discussion of the “The Ten Year Plan of Economic and Social Development, 1961/62-1970/71”

The military government did not limit its reforms to altering the country’s cotton marketing strategy and stabilizing its diplomatic relationships. The regime also made a strong commitment to the principles of the new model of national planning. Aside from questions about bureaucratic capacity, the principal complaint of planners had been that they were unable to devise an appropriate means of measuring, evaluating and calibrating the impact of the government’s economic policies.

The major innovation in planning under the military was the introduction of national income estimates. National income accounts made the wealth of various nations comparable across time. This allowed political leaders to demonstrate with hard figures how successful their policies were. The publication of economic growth statistics effectively became an annual referendum on the political leadership of the country. Depending on the calculations undertaken, economists and statisticians claimed that the resulting figures could be used to understand the productivity and distribution of a society’s economic welfare as well as to highlight how the different units of the economy and society fit together.  

Another feature of the national income accounts and the plans constructed upon them, was highlighted by professor of economics Paul Studenski, who underlined that, “…the concept of national income is social in nature and differs fundamentally from the private concepts of individual, family, or group incomes.” The implication was that national income accounting gave the authors and the policymakers who

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depended on these accounts a new social object: the nation, in whose name they could act and a new entity to act upon. It was the ability of military leaders to claim that they were acting in the name of the nation that justified the abrogation of the electoral system, which was premised on aggregating individual preferences.

The national income statistics that finance officials produced were aggregates, numbers that described the average and the norm rather than the individual experience. The national income account was composed of two separate calculations that needed to match. The first calculation is often referred to as the ‘output method’ and the second technique was called the ‘expenditure method.’ The output method was a tabulation of the value of all of the goods and services produced in a given economy. While the expenditure method focused on calculating the total amount of money spent on goods and services. Both calculations were used by finance officials to estimate the total income of the economy, because output, expenditure and income should all be equal in a given economy. The major innovation undergirding national income accounting was imagining that the income of a whole society could be accounted for using double-entry bookkeeping in a similar fashion to the way in which a single business balanced its books. Even as the general formulas for calculating national income became increasingly standardized, the intrusion of politics was clearest in “the problem of deciding which receipts of money or of goods and services to include in the concept and computation of national income and which to exclude.” The estimator was inevitably forced to rely on arbitrary “escapes from theoretical and practical difficulties,” accounting challenges that were compounded by theoretical questions about which activities qualified as economic and which activities should

442 Vanoli, A History of National Accounting 16.
properly be considered non-economic and therefore non-countable. These decisions about what to count and how to count directly impacted how finance officials and the public evaluated economic policy, especially the economic plans crafted by the military. For instance, when Sudanese historian Al-Amin ‘Abd-Rahman points to the positive aspects of the ‘Abboud regime he emphasizes ‘Abboud’s success in increasing the growth rate, assuming that the lives of ordinary people became easier as a result.

It was in the context of an improving economy that work on a comprehensive development plan for Sudan began to bear fruit. These efforts were coordinated by ‘Abd al-Rahim Mirghani, deputy permanent under-secretary within the Ministry of Finance. The economic council headed by the President of the Supreme Council for the Armed Forces, the Prime Minister and key cabinet members determined policy. Policy proposals were designed by the development committee, which was composed of the senior civil servants from the different ministries. This committee negotiated the contents of the plan, which was based on policy recommendations formulated by the National Technical Planning Committee. In 1960, a dedicated Economic Planning Secretariat was also created to coordinate the planning process and to exercise financial control. The establishment of a new bureaucratic architecture followed

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443 Studenski, _The Income of Nations_ 166.  
444 Al-Amin _Fariq ‘Abbud_ 60.  
446 The Economic Council was chaired by the President of the Supreme Council of the Armed Forces and the Prime Minister. It also included the Minister of Information and Labor, the Minister of Cabinet Affairs, the Minister of Commerce, Industry and Supply, the Minister of Foreign Affairs and the Minister of Finance and Economics. The Development Committee was chaired by the Minister of Finance and Economics and it also included the Minister of Works and Mineral Resources, the Minister of Communications, Interior and Local Government, Education, Health and Human Resources and Agriculture, Irrigation and Hydro-Electric Power. At a slightly lower level there was the National Technical Planning Committee composed of
from the division of the Ministry of Finance and Economics into two units, one dedicated to finance, and the other to economics and planning. The divide in the Ministry of Finance was part of the growing recognition that auditing, budgeting and accounting were separate functions from the coordinating and monitoring of economic policy. As in the earlier development programs, one of the first tasks to be completed was a summary of the various government departments’ development initiatives and ambitions.\footnote{Abd al-Rahim Mirghani, \textit{Development Planning in the Sudan in the Sixties} (Khartoum, Sudan: Graduate College of the University of Khartoum Press, 1983) 8-14.}

The earlier efforts at development planning took the form of an enumeration of desirable capital projects with their estimated price tags, which were then compared with a series of projections about the amount of revenue that the government would be capable of raising over a defined period of time.\footnote{Mirghani, \textit{Development Planning in the Sudan in the Sixties} 10.} The new 1961 development plan included a macro-economic framework within which the plan’s proposals were situated and against which their impact was estimated.\footnote{The macro-economic framework included a new iteration of the national income accounts prepared by the Department of Statistics that specifically focused on producing data about capital formation, the output of manufacturing, and capital—output ratios. A study about the structure of the Sudanese economy was also undertaken, as well as papers focusing on the building and construction potential of the government machinery and the availability of skilled labor. The principal Sudanese officials working on these studies within the Ministry of Finance were Abd al-Rahim Mirghani and Mohammed Khogali. Letter. Abdel Rahim Mirghani to Arie Kruithof, IBRD, October 16, 1961, “Sudan Railway Project—Negotiation 01,” Box # 172012B.} The primary innovation in this iteration of planning was that all of the various proposals developed by government departments and units were “subsequently embodied in a uniform set of summaries and schedules, showing the aims of each proposal, the required investment amount and its phasing, its contribution to the national income, its effects on the
A special World Bank Mission and Dr. W. H. Singer, the Special Adviser to the Under Secretary for Economic and Social Affairs of the United Nations then evaluated the macro-economic framework developed by the Economic Planning Unit inside of the Ministry of Finance to ensure that the plan met emerging international norms. The aim of the plan was to ensure that Sudan’s economy “not only expand[ed] at an accelerated rate but…at the same time reach[ed] the stage of self-sustaining growth.”

The publication in March 1959 of *The National Income of Sudan: 1955/56*, Sudan’s first series of national income accounts allowed the military government to equate economic success with political legitimacy. C. H. Harvie and J. G. Kleve, the leaders of the Department of Statistics in Sudan, oversaw its publication with the help of eleven Sudanese assistants. Sudanese experts followed in the footsteps of the national income surveys carried out in Nigeria and Tanganyika. Many of the assumptions of the studies carried out in those two countries were held up as so many lessons for the Sudanese case. Technical advice about how to shape government budgets and accounts for national income accounting came from several United

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Nations publications, including two treatises with respective titles of *Budget Management* and *A Manuel for the Economic and Functional Classification of Government Transactions.*

In his introduction to the ten year plan the Minister of Finance and Economics and speaking in the name of the military revolutionary council, stated, “Amongst the most important targets that the blessed Revolutionary Government pursued and is still pursuing is the improvement of the standard of living of the citizens through the development of the resources of the Country.” The metric of success was per capita income growth. Previous plans had been collections of public sector capital investments, without a clear estimation of the effects of capital spending on “over-all magnitudes like national income, balance of payments, government revenues, employment, etc.”

This plan was to be comprehensive. The Minister of Finance Ahmed defined comprehensive planning as:

Comprehensive economic planning is basically a scientific study of the circumstances and problems that hinder the progress of society, and assessing the natural and human resources available, and drawing out the right projects which aim at changing those circumstances and dealing with these problems in the light of the available resources. It is therefore a process of defining and knowing the problems and resources of society and the best use and effective mobilization of these resources to achieve a stage of progress accepted by society as a target to be achieved in a certain period of time.

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455 “Broadcast statement by the Minister of Finance and Economics on the Occasion of the Presentation of the Ten Year Plan of Economic and Social Development 1961/62-1970/71.” The Ten Year Plan of Economic and Social Development, 3.
457 “Broadcast statement by the Minister of Finance…” 4-5.
Ahmed meant that comprehensive planning attempted to measure the impact of investment decisions, and not simply to establish a schedule of capital spending.

Finance officials believed that what was required for economic development was an increase in the accumulated capital base of a particular country. These suppositions allowed economists and other policymakers to focus on “the ratio of ‘required’ investment to desired growth.” The formula was provided as follows:

A country that wanted to develop had to go from an investment rate of 4 percent of GDP to 12-15 percent of GDP. Investment had to keep ahead of population growth. Development was a race between machines and motherhood.  

This model made it possible to make hypothetical calculations along the following lines. If a country pushed its rate of investment up to twelve percent of GDP, it could increase its GDP by perhaps three percent per year. Assuming population growth of two percent per year, it could as a result achieve a per capita growth rate of roughly one percent per year. Sudanese policymakers set a target of growing the capital-intensive sections of their economy by three percent during the first years of the 1960s, which meant that they would have to find adequate inflows of capital.  

However, there was a widespread belief in the international community that poor countries could not achieve such high rates of investment from their own savings alone, and therefore would need not only to suppress domestic consumption, but also to turn to foreign aid. It was the failure of the parliamentary system to create a political climate in which either of these objectives appeared possible that paved the way for and legitimated the military coup.

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459 Mirghani, Development Planning in the Sudan in the Sixties 29.
Success was quantified. Per capita income was projected to rise from LS 28-30 to LS 65 by the end of the plan period. This would allow Sudan to surpass the per capita income of Morocco and Tunisia and bring it into the range of such countries as Turkey. The projected figures also demonstrated that the wealth divide within the country was quite large, with some regions, particularly western and southern Sudan, considerably below the LS 28-30 per capita income range. Other areas of the country, particularly the area within the triangle formed by Omdurman—Kosti—Sennar (including the three towns of Omdurman, Khartoum and Khartoum North) as well as the Gezira district had much higher per capita incomes. This was the area of maximum state investment due to schemes such as Gezira and Managil, which already enjoyed incomes above that of Turkey, in the range of LS 65-75 per capita. It was expected that by the end of the plan period, the per capita of this triangle could reach levels as high as LS 110, much higher than the projected national per capita GDP of LS 37. This would be “very high by African standards and probably sufficiently high to sustain self-generating growth.” Unequal growth was justified by the assumption that if one continued to invest in the most capital-intensive parts of the economy that growth would eventually spread to other portions of the economy through savings:

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461 Another feature of the national income accounts was the inclusion of Sudan on a United Nations list of countries ordered by each country’s per capita income. Of the fifteen countries listed the United States ranked at the top and Tanganyika at the bottom. Using numbers for 1956, the United States had a per capita income of LS 717, while using 1954 data Tanganyika had a per capita income of LS 17. Sudan was calculated to have the same income per person as Kenya, LS 27, and to have an income that was higher than that of Pakistan, India and Nigeria in addition to Tanganyika. However, the income of the Sudanese was significantly lower than that of the Egyptians, whom had a per capita income of LS 40 calculated in 1956, and significantly below the per capita income of the Union of South Africa and the European countries. The Department of Statistics, *National Income of Sudan (In Brief)* 9.

462 “The Ten Year Plan of Economic and Social Development,” 40.

463 Federation of British Industries, *Assessment of Sudan’s Ten Year Plan* 4.
For although at first sight the “imbalance” in the economy between the modern part and the traditional part might be criticized, particularly in respect of the difference in per capita incomes, the Plan in fact turns this imbalance to advantage by using the resulting higher rate of domestic savings in the modern sector to develop both parts of the economy…464

It was estimated that during the life of the plan, the proportion of the population of Sudan involved in the modern sector of the economy would rise from one quarter to possibly one third. As the modern sector of the economy grew, finance officials expected that the profits derived from it would increasingly be available to fund the development of other parts of the economy, creating a virtuous cycle, and leading to a higher national income overall.465 For the planners, the aim of the development strategy was essentially the realization of a “big push” to propel the most economically advanced sectors and regions of the economy forward.466 The “big push” did not aim for economic equitability and stability, but rather for growth.

The objective of the plan was to transform a poor economy with a low national income, a total dependence on cotton, idle manpower in the South, East and West of the country, little skilled manpower, unknown resources and a rudimentary industrial base into a growing and increasingly wealthy economy. Planners wanted the population to transition from the traditional sector of the economy towards the modern sector of the economy. They also aimed to diversify the economy. Noticeably missing from Sudanese diversification plans were theories of import-substitution based on heavy industrialization. Instead planners intended for industrialization initially to be confined to processes that were complimentary to the agricultural sector, such as

464 “The Ten Year Plan of Economic and Social Development,” 43.
465 “The Ten Year Plan of Economic and Social Development,” 43-44.
466 Poduval, “Sudan’s Ten Year Plan of Economic…” 2. For more on the history of the “big push” idea, see: H. W. Arndt, Economic Development 58.
the light processing of agricultural goods. A major component of reducing imports was also agricultural diversification, because while largely self-sufficient in the production of foodstuffs, Sudan imported large amounts of tea, coffee, sugar and wheat. Finance officials such as Mamoun Beheiry and John Carmichael assumed that for the foreseeable future Sudan would remain an agricultural exporting economy. Unlike many developing countries, Sudan’s policy makers recognized the limitations of their domestic market and never intended to shift the basis of the economy from agriculture to manufacturing. Rather, the government hoped to produce more agricultural products for domestic consumption and at the same time increase agricultural exports in order to fund greater quantities of imports. Planners thought the most promising path towards import substitution was agricultural diversification into such commodities as coffee, rice and sugar decreasing the need importing these products. The expected magnitude of spending over the ten year period was exceptionally large, coming to roughly LS 512 million, of which perhaps LS 285 million were going to be spent on agricultural schemes, LS 52 million on repairing existing infrastructure, and an additional LS 175 million of investments that the private sector intended to undertake. Looking at the revised 1963 numbers, planners expected to invest LS 337 million in public works. The most important projects were the Roseires Dam, which would consume LS 36 million, Khashm el Girba Dam, costing LS 14 million, the Managil Extensions, estimated at LS 14 million, the railway system at LS 35 million, aviation at LS 14 million, education at LS 37 million, the Wadi Halfa Resettlement Scheme at LS 22 million, the new sugar factories Guneid and Khashm el Girba at 18 million and social

467 Federation of British Industries, Assessment of Sudan’s Ten Year Plan 2.
468 “Broadcast statement by the Minister of Finance…” 6.
470 The Ten Year Plan of Economic and Social Development,” 29.
services and administrative cost at LS 31 million.\textsuperscript{471} Planners expected that over the ten years of the plan the Gross Domestic Product would expand by 63 percent while per capita income would rise by 23 percent. The ambition of the planners was summed up in the boast that “if we proceed at this rate in our future plans we would be able to quadruple the national income and double the income per head in a generation.”\textsuperscript{472}

Between 1945 and 1960, the majority of the capital for investment had been generated internally, but this pattern did not continue. Cotton prices would not sustain it. While the majority of economic activity occurred within Sudan’s borders, 70 percent of the government’s revenues were generated from taxes and duties on imports and exports. The government’s finances were vulnerable to declining terms of trade because the country was exporting primary commodities and importing manufactured goods. The planners recognized this weakness but saw little chance of solving the problem during the ten years of the plan.\textsuperscript{473} Manufacture was another potential source of additional income: cotton yarn and basic textile products could be processed from the raw cotton produced within Sudan. Some progress in these fields was made during the 1956-1960 period in terms of producing simple manufactured consumer goods for domestic consumption in Sudan, but only the edible oils it produced were of a quality that could readily be exported.\textsuperscript{474}

\textsuperscript{471} Federation of British Industries, \textit{Assessment of Sudan’s Ten Year Plan} 6.
\textsuperscript{472} “Broadcast statement by the Minister of Finance…” 6.
\textsuperscript{473} Cotton provided 70 percent of government exports and more than 40 percent of government revenue. Though it another belt of potential agricultural expansion was opened up south of a line that might be extended from El Geneina to El Obeid to Sennar and Kassala, which had previously been primarily devoted to subsistence agriculture, but which were increasing opening up to mechanical agriculture.
“The Ten Year Plan of Economic and Social Development,” 17-29.
\textsuperscript{474} “The Ten Year Plan of Economic and Social Development,” 34.
Despite the fact that the vast majority of capital expenditure was allocated to a small number of projects located in the central region of Sudan, finance officials presented the plan to the public through radio broadcast and speeches as an initiative that would benefit the entire country. Officials acknowledged that the focus would remain on “a wedge-shaped fertile clay plain…situated in the center of the country and…widening towards the East.”

The plan was comprised of more than 260 individual projects including coffee schemes in Equatoria and experiments with rice cultivation in Bahr el-Ghazal. In addition, there was an emphasis on growing the American variety of cotton in the Nuba Mountains and in Gederaf, which would give Sudan access to markets for lower quality cotton than the cotton produced along the Nile in Gezira and Managil. Yet aside from generic statements about how the plan “paid attention to the development of backward areas in all parts of the country especially the South,” the plan denied funding to major projects in the western, eastern and southern regions of Sudan.

Although coffee and rice cultivation could play vital roles in import-substitution, as late as the 1964/65 budget, money had only been allocated for surveying potential coffee estates in

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475 “The Ten Year Plan of Economic and Social Development,” 10. “Although the arable land in Sudan is estimated at about 100 million acres, only slightly over 7 million acres are cropped. The most developed land agriculturally is the fertile, central clay plains growing practically all cotton. To the west of this, is the ‘quoz’ area in Kordofan and Darfur provinces where gum arabic and oilseed crops are grown; to the east, are flooded silt plains of Gash and Tokar Deltas, irrigated by seasonal streams, sowing principally cotton and dura (sorghum). The southwest region, chiefly the Equatoria Province, in the tropical rainfall belt, has laterite soil, viable for various tropical crops. In the arid and semi-arid areas in the north, cultivation is confined to the Nile Basin with a uniform cropping pattern consisting of a mixture of food and cash crops.”

476 Ibid.

477 Work would not proceed on the Khartoum—Port Sudan Road, the Regeneration of Suakin, the extension of Railway Line from Wau to Juba, the exploitation of the Jebel Marra Lands, and the extension of a railway from Nyala to Geneina. Several smaller industrial projects were also not funded.

“Broadcast statement by the Minister of Finance…” 8-9.
Equatoria and establishing a pilot scheme for rice production in Bahr el-Ghazal. The decision to minimize funding for economic development and social services in southern Sudan would have dramatic consequences, because it increased the alienation of communities in southern Sudan from the state, even as military conflict was escalating in the south as a response to demands for political autonomy.

The resistance to shifting scarce capital from the expansion of the major pre-existing agricultural schemes towards expanding the transportation network further demonstrated the extent to which a limited selection of cotton-related schemes in central Sudan could be represented as the national economy and sufficient for national development. Sudanese policymakers continued to debate the merits and challenges of either attempts to integrate additional regions of Sudan into the existing export economy or of rapidly increasing the export potential of the major irrigated schemes. From a purely accounting perspective increased investment in transportation was considered financially unsound. In a sparsely populated country, an adequate transportation network was judged to be an unaffordable luxury. However, without affordable transportation the expansion of agricultural production into new regions was unprofitable and therefore the development of new regions of the country could not proceed without loss making investments. In fact, IBRD officials highlighted the inadequacy of the Sudanese transportation network as “a bottleneck in the development of Sudan.” At the same time, the IBRD’s transportation analysts were skeptical about the financial feasibility of

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479 “The Ten Year Plan of Economic and Social Development,” 99.

480 Memo. Mr. Burney to Files. “Sudan—General Negotiations,” January 29, 1963, WBG “Sudan Railway Project—Negotiations 01,” Box # 172012B.
extending the network to new regions of Sudan.\textsuperscript{481} The justification for ignoring the development of the economic peripheries within Sudan came from planners’ acceptance of the division of the economy into a modern and a traditional sector. They assumed that the traditional sectors of the economy would eventually wither away to be replaced by the modern sectors of the economy. Indeed, statistics reported between 1956 and 1961, demonstrated that the modern sector grew twice as fast as the traditional sector that seemed to bear out their expectations.\textsuperscript{482}

However, the statisticians tasked with using national income accounts to measure economic performance relied on a limited set of data. They had good access to data about commodities produced for export, because of the relative ease of acquiring those statistics. The over representation of cotton production in general economic statistics encouraged Sudanese officials to overestimate the extent to which the Omdurman, Kosti, Sennar triangle was the engine of the national economy. Consequently, officials made very little effort to collect data about the subsistence sections of the economy, which they termed the traditional sector, and which was estimated to account for as much as 36\% of the country’s GDP, though formally finance officials did factor this sector into their calculations.\textsuperscript{483}

\begin{footnotes}
\footnotetext[481]{Letter. Cecil Hutson to J. A. McCunniffe, October 3, 1960, WBG “Sudan—Expansion of Railways and Water Transport Facilities Project—Administration 03,” No. 1741655, Box # 172007B.}
\footnotetext[482]{“The Ten Year Plan of Economic and Social Development,” 13.}
\footnotetext[483]{In Sudan, subsistence agricultural production was included in the calculation of per capita income. These prices were figured by deriving the sum at which agricultural products were sold directly from the farm without including marketing and transportation costs. Statistics on subsistence farming were biased towards figures that documented the production of tenants on the major exporting estates, who were allowed to use part of the land to produce foodstuffs, which were often also sold in the market. The farm gate value is typically lower than the retail price consumers pay, as it does not include costs for shipping, handling, storage, marketing, and profit margins of the involved companies. The Department of Statistics, National Income of Sudan (In Brief), p. 9.}
\end{footnotes}
Finance officials estimated that more than half of the country’s national income was tied up in the traditional sectors of the economy. The line between the traditional (or domestic) sector of the economy and the modern (export) sector was also unclear. Because on even the most capital intensive agricultural schemes, such as Gezira and the Managil Extension Scheme, farmers devoted a significant amount of their labor and capital to producing grains for subsistence. The cultivators of groundnuts and gum arabic in the western regions of Sudan were often not considered to be part of the modern economy, because they employed “traditional” methods of production even though both crops were highly profitable and sold to international buyers. Because planners did not consider these to be modern sectors of the economy, they did not invest state resources in improving the small-scale production of such cash crops as grains, gum arabic or groundnuts. Abdel Rahim Mirghani citing his own and his colleagues’ reading of Dudley Seers’ ideas about “uneven development,” believed that capital, labor and land should be steered towards the modern sectors where their productivity could be raised.484

**Implementation and Evaluation of the Plan**

After the military coup in November 1958, the junta members soon abandoned the idea of quickly surrendering power to civilian authorities. Instead, the senior officers proclaimed that the military “was a representative of society.”485 Calculating the Sudanese per capita income gave the officers a metric, which they could use to legitimize their continued marginalization of the country’s elected political leaders and the mass movements that competed in electoral politics. The military employed national income accounting to emphasize that it was delivering

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485 Al-Amin *Fariq ‘Abbud* 60.
economic growth, growth that benefitted every individual Sudanese citizen, whereas the preceding civilian governments had failed to do so.

When contemplating the political legitimacy of the regime, finance officials fell back on what the economist and early pioneer of national income accounting in Nigeria, Phyllis Deane called, “the habit of supporting political argument by [employing] statistical data on income or wealth.” If elections were a hallmark of political legitimacy for parliamentary regimes, in the early 1960s, the preferred method of measuring economic progress was the growth rate. This figure emphasized a unified abstraction of society rather than the different constituent groups represented by antagonistic political parties. By focusing on the growth rate, finance officials serving the military regime could argue that their policies benefited society as a whole, while the policies carried out by the political parties focused solely on specific interest groups. Arguing that the government’s policies had been successful and demonstrating it with figures was now possible because of the specific per capita targets included in the plan. The main attraction

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487 Writing about the conflict between the need to represent individuals as agents capable of free choice and liberty and groups as object possessing particular characteristics in common and obeying collective laws, Alain Desrosieres writes, “What changed, however, was the administrative use of statistical addition, henceforth linked to diagnostics, to standardized procedures and assessments of them. Every kind of macro-social politics developed since the beginning of this century involved mutually dependent modes of management and knowledge. The alternation between measures in the sense of decisions applicable to a large number, and the measurements of the effects of these measures, illustrates this rediscovered equivalence.” Alain Desrosieres, trans. Camille Nash, *The Politics of Large Numbers: A History of Statistical Reasoning* (Cambridge, Mass.: Harvard University Press, 1998) 81.

(and at the same time the main limitation) of employing economic growth as a legitimating discourse was its “measurability.”

Yet even as statisticians within the Government of Sudan’s Department of Statistics produced their estimates, they were aware that it was very difficult to define and compare economic welfare. After all, “two countries, A and B may have the same average per-capita income, yet welfare may be very different.” The complaints about the per capita metric were legion. There were disputes, for example, about how a comparison of per capita income figures could take into account income inequality within states, or reflect different needs brought about by environmental factors, or whether or not leisure was an economic good.

The vulnerability of the Sudanese economy was evident. The development expenditures programmed within the Ten Year Plan required an additional LS 95 million in loans from abroad, and the LS 56 million already received required interest payments of 5 percent over the next fifteen years. The plan’s chief architect, ‘Abd al-Rahim Mirghani, expected the burden on the Sudanese economy to be massive. He hoped that the industrialized countries would be lenient in the terms of their loans. One key issue was whether the capital spending the Government had embarked upon would produce self-sustaining growth. A second critical


489 Cooper, “Modernizing Bureaucrats…” 76.


491 “As you know it is now generally recognized and accepted by the industrialized countries that the needs of the underdeveloped countries for capital to finance their development plan should be met by a major part by soft loans otherwise the success of their developmental effects will be endangered.”

question was whether concentrating the bulk of the state’s investments in a few development schemes would pay off and yield returns that could be distributed in a sustainable manner. This was particularly important because projections of government revenue during the plan period did not call for taxation to play a major role in raising state revenue.\footnote{Poduval, “Sudan’s Ten Year Plan of Economic…” 3.}

Despite the doubts, by the 1964/65 fiscal year, the first four phases of the Managil Extension Schemes had been successfully completed providing substantially increased export capacity. However, the Roseires Dam was still under construction. The foreign currency component of the Dam project totaled LS 17,722,841. The principal loans for it were secured from the IBRD, the International Development Association and the Federal Republic of Germany. The cost of actually constructing the Roseires Dam continued to rise as of 1964/65, as did the cost of completing the Khashm el-Girba Dam.\footnote{Note. From Sir D. Ormsby Gore, “Inward Saving Telegram from Washington to FO: IBRD—Sudan,” July 27, 1963, TNA FO 371/172364.} Despite the increased cost of these projects, the 1963 IRBD Mission to Sudan concluded that, “the Development plan was realistic…and that the proposed sale of investment would be within the capacity of the country, provided it could obtain suitable aid from abroad.”\footnote{Poduval “Sudan’s Ten Year Plan,” 2.}

The objectives of the ten-year plan were not expected to resolve Sudan’s foreign exchange vulnerability in the short term. Experts expected that the programs included within the ten-year plan would magnify existing problems. The formulators of the plan understood that Sudan would incur a deficit in its balance of payments. This would require new capital inflows of upwards of LS 150 million.\footnote{Poduval “Sudan’s Ten Year Plan,” 2.} One attempt to address this problem was to devote domestic
foreign exchange reserves exclusively to the problem of managing short-term fluctuations in the international commodity markets.\footnote{496}{“The Ten Year Plan of Economic and Social Development,” 46.}

Heavy capital spending on development projects, the need to service foreign loans, and lower than expected income from exports all meant that there was heavy pressure to reduce other government expenditures on items such as social services and employment.

Throughout 1962, as the ten year plan entered the implementation stage, Sudan attracted additional funding from West Germany and Kuwait. Loans and aid compensated for falling earnings from cotton exports.\footnote{497}{This posed an interesting question for the IBRD about how to coordinate its efforts with emerging lenders such as the Kuwait Development Fund. Notes. Arie Kruithof to Mr. G. Wilson through Mr. Stevenson, “Sudan—Railway Financing by Kuwait,” March 21, 1962, WBG “Sudan Railways Project—Negotiations 01,” Box # 172012B.; Letter. From Abdel Rahim Mirghani to Arie, March 15, 1962, WBG “Sudan Railways Project—Negotiations 01,” Box # 172012B.} The first loan that the Kuwaiti government approved for Sudan was seven million Kuwaiti dinars. This loan was earmarked for the development of the Sudanese railway system.\footnote{498}{Handwritten Letter. From A. R. Mirghani to Arie, “Kuwait,” March 21, 1962. WBG “Sudan Railways Project—Negotiations 01,” Box # 172012B; see also: Memo. Geoffrey Wilson to Mr. Knapp, “Kuwait—Arab Development Fund,” March 27, 1962, WBG “Sudan Railway Project—Negotiations 01,” Box # 172012B; Yugoslavia was also a source of development loans, having granted Sudan 5.5 million pounds in 1959. Letter from Ian Scott to “The Earl of Home,” “Dispatch 40,” July 6, 1962, TNA FO 371/163921.} Yet donor fatigue and uncertainty within the donor community about how much foreign capital the Sudanese economy could absorb, and how much debt service the state could handle, limited the government’s capacity to attract additional foreign aid.

Sudanese frustration about the problems it encountered raising foreign capital increased as the following reported a discussion between Mohammed El Fadl, the General Manager of the Sudan Railways, and H. J. Van Helden, the chief of the Transportation Division within the IBRD, illustrates:
[The Sudanese Railways] find ourselves slightly perplexed to learn positively for the first time that a mission would be set in motion if the Sudan Government were to request the Bank to assist in financing the railway program. We had been hoping for developments along these lines ever since we presented our traffic survey in October 1960. Since then every visitor to this country from the Bank has stated that the maximum possible loans have been made to this country and the railway would have to seek financial assistance elsewhere.

The search for alternative sources of capital has been conducted tirelessly throughout the past eighteen months, and the lack of response on acceptable terms, and all the implications of tied loans which we have taken into account, have had retarding and frustrating effects on all our plans and the execution of these plans.  

The danger that the Government of Sudan might eventually exhaust its access to easily available foreign capital foreshadowed the potential danger to ‘Abboud’s regime. However, Sudan experienced a larger harvest and good sales of cotton in 1962, and therefore there was increased interest in granting loans secured essentially by the country’s cotton income. After all, cotton production in 1962 was 1,137,221 bales; a little less than double the previous year’s production of 616,502 bales. However, the sustainability of increased production was constantly being called into question by poor yields on individual schemes. The need to constantly service debt

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500 “Statement by His Excellency the Minister of Finance and Economics on the Occasion of Presenting the 1962/63 Central Budget,” June 12, 1962, SAD G//S 1166/2/4/.
501 “Indeed the total amount of irrigated land in the Tokar Delta was estimated at approximately 12,500 feddans, when it is known that the acreage which can be irrigated is estimated to be around 200,000 feddans,” and the average yield per feddan declined from six kantar to only approximately three kantars. Not only was the Tokar Scheme unable to contribute to the central budget, but the cultivators of the Tokar Delta also required increasing demands from the financing fund.
also necessitated that the central budget show year on year increases in its budgetary surpluses. 502

**Reasons for the Failure of the Plan and the Fall of the ‘Abboud Regime**

By November 1963, the Sudan IBRD Consultative Group, composed of the principal Western creditors to the country, began to express concerns about the country’s ability to fund the implementation of its development plan. 503 Sudan had a relatively modest deficit in its balance of payments in 1963 after a poor cotton harvest in 1962. 504 Another fear was that the government would be unable to control its expenditures. The Group also identified the concentration of development programs in the central region of the country. However, the group praised Sudanese officials for their willingness to emphasize commodity-producing projects over social investments. 505

Predictably the optimistic forecast of cotton harvests on which the plan was based did not materialize, and by January 1964 the Government of Sudan was forced to return to international

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502 “Statement by His Excellency the Minister of Finance and Economics on the Occasion of Presenting the 1962/63 Central Budget,” June 12, 1962, SAD G/S 1166/2/4/.
503 The Consultative Group was chaired by the IBRD and composed of representatives from the Washington embassies of Belgium, France, Germany, Italy, Japan, Netherlands, Switzerland, the United Kingdom, the State Department of the United States and USAID. Letter. From Washington, Sir D. Ormsby Gore to FO, “Addressed to FO Telegram No. Eager 232 Saving of November 29: Sudan IBRD Consultative Group,” TNA FO 371/172364.
504 “The Sudan’s total imports in 1962 were LS 89 million and total exports LS 79 million, of which LS 48.5 million were cotton and cotton seed. This deficit on the visible balance of payments is modest, bearing in mind the development of the Plan and the amounts of foreign aid available.” Federation of British Industries. *Assessment of Sudan’s Ten Year Plan* 3.
lenders seeking additional loans to fund its development program.\footnote{Memo. M. A. Burney to Hendrik Van Helden, “Sudan Loan Application for the SR.” January 27, 1964. WBG. “Sudan—Railway Project—Negotiations 01,” Box # 172012B.} In the beginning of February 1964, ‘Abd al-Rahim Mirghani traveled to Washington in order to explain the difficulties that the Republic of Sudan was having carrying out the Ten Year Plan.\footnote{Letter. Pierre L. Moussa to Mamoun Beheiry, February 27, 1964, WBG “Sudan—Expansion of Railways and Water Transport Facilities Project—Administration 04,” Box # 172007B.} To increase its legitimacy internationally and domestically, the Abboud regime in November 1963 formed a Central Council, an advisory board of civilian experts, to augment the Supreme Council of the Armed Forces as it made executive decisions. By April, 1964, however, the Abboud regime faced increased criticism about its economic stewardship, often from members of its new council.\footnote{Bechtold Politics in the Sudan 205.} A major complaint raised by the government’s critics was that the Khashm el-Girba scheme was significantly over cost, while at the same time Egypt was delaying its payment of the compensation it had promised Sudan for the flooding of Wadi Halfa.\footnote{The Sudanese market had become a dumping ground for Egyptian manufactured goods, which were having a difficult time finding alternative markets. Egypt was in need of IMF stabilization funds in 1964 to meet some of its external debts. Memo. From Commercial Department, British Embassy in Khartoum, July 4, 1964, TNA FO 371/178613; Letter. From A. D. Parsons to P. H. Laurence, April 14, 1964, TNA FO 371/178613; Letter. From M. P. V. Hannam to R. W. Munro, July 24, 1964, TNA FO 371/178613.} The government tried to account for unexpected expenses by raising taxes on tenant farmers such as those in the Tokar Delta.\footnote{The rate of withdrawal was raised from 5% to 10% for tenants in the Tokar Delta. Memo. Department of Finance and Economics, “Decision of the Council of Ministers, the 456 Meeting,” June 21, 1964, NRO Finance 3-A/28/6/22/.} The Ministries of Defense, Interior and Information, which were favored by the governing army officers, were consistently exceeding their budgets. Criticisms of the government were further fueled by political tensions in southern Sudan, where the decision to cease investing in local economic and social projects exacerbated the ongoing conflict between
the periphery and the core regions of the country. Open warfare broke out in the southern region during the early 1960s. However, the immediate concern was not simply the generation of budget surpluses, but finding more foreign exchange for the Republic to devote to accelerating its development plans. Still, the military regime often won praise from foreign investors for ensuring political stability and for its ability to produce consistent budget surpluses.

A superficial analysis of aggregate economic indicators such as the GDP made the ‘Abboud regime’s economic stewardship appear modestly successful. During the first five years of the Ten-Year Plan, Sudan’s GDP increased twenty percent. Excusing the steep economic decline associated with the collapse in the Sudanese economy in 1957-1958, however, the economy scarcely grew any faster during the first years of the plan than it had during the previous years of civilian rule. In order to claim that the military’s policies were successful, it is necessary to examine the five-year period after the military came to power in October 1964, during the period from 1965-1971 the GDP expanded by thirty percent. By 1965, the military had given way to a transitional civilian government, which came to power following the revolution of October 1964. The new government was formed by the National Front for Professionals and made up of members willing to pursue new social and economic policies. However by April of the following year, the traditional parties such as the Umma and NUP had resumed control of the government and began to carryout economic policies that were in general

512 Note. Maurice Bart to Mr. G. Stewart Mason, August 25, 1964, WBG “Sudan—Second Railway Project—Negotiations 02,” Box # 172012B.
513 Federation of British Industries. Assessment of Sudan’s Ten Year Plan 23.
alignment with the Ten Year Plan. Therefore, the resulting acceleration in the growth rate can be attributed in part to the framework developed by the planners.

Yet this raises the question of why the military regime fell. Bechtold writes that it occurred, “surely not because of economic pressures, for the slight drop in foreign exchange reserves affected very few people at the time, and whatever inconvenience resulted was definitely outweighed by the considerable rise in the standard of living since 1958.” One possible answer can be found by examining the outbreak of violence on October 21, 1964 at the University of Khartoum. This outbreak followed a meeting about the government’s failed strategy in the south. Recognition among large segments of the Khartoum elite that the military government’s strategy of politically and economically marginalizing the periphery was a failed strategy precipitated the end of the ‘Abboud regime. Bechtold wrote that “economically, [the Supreme Council of the Armed Forces] performed with considerable efficiency; politically, increasing ineffectiveness marked its tenure.” The drive for increased economic growth favored the concentration of development in a few defined areas, but such concentration did very little to address questions of regional equity. Therefore, even as economic growth resumed, political unrest continued to fester.

Sudanese policymakers found themselves confronting a problem that was common to many developing countries, particularly in Africa, which was how to meaningfully distribute the

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516 Daly *Darfur’s Sorrow* 185-189.
517 Bechtold *Politics in the Sudan* 213.
518 Mahgoub, *Democracy on Trial* 188-192.
benefits of site-specific investments throughout a vast territory with a dispersed population.\footnote{W. Arthur Lewis, \textit{Politics in West Africa} (Oxford, UK: Oxford University Press, 1965).} Sudan was large, nearly one-third the size of India, but contained only 12 million people in 1960. The central triangle from Omdurman to Kosti and Sennar not only dominated the nation’s politics, but also was significantly richer than the rest of the country, with a per capita income of over LS 100 compared with an income of significantly less than the national average of LS 30 in many parts of southern and western Sudan. As fighting escalated between the central government and an increasingly complex group of separatist movements in southern Sudan in 1963, the distrust and unfamiliarity that marked relations between the Arabized elite in Khartoum and the largely mission-educated African elites of southern Sudan was exacerbated.

At the 1965 Khartoum Conference on the Southern Sudan, Aggrey Jaden, the president of the Sudan African National Union, proclaimed that:

\begin{quote}
The Sudan falls sharply into two distinct areas, both in geographical areas, ethnic groups, and cultural systems. The Northern Sudan is occupied by a hybrid Arab race who are united by their common language, common culture, and common religion; and they look to the Arab world for their cultural and political inspiration. The people of the Southern Sudan, on the other hand, belong to the African ethnic group of East Africa…There is nothing in common between the various sections of the community; no body of shared beliefs, no identity of interests, no local signs of unity and above all, the Sudan has failed to compose a single community.\footnote{Khartoum Conference on the South, March 1965 documents; speech by Aggrey Jaden (mimeo.), p. 4, cited in George W. Shepherd Jr., “National Integration and the Southern Sudan,” \textit{The Journal of Modern African Studies} 4:2 (October 1966): 195.}
\end{quote}

When Aggrey made this statement in the mid 1960s, it was clear to many northern and southern Sudanese people that the attempt to suppress issues of regional and local identity in the name of national economic development had hopelessly failed. Noted member of the Muslim Brotherhood and lecturer in the Faculty of Law at the University of Khartoum, Dr. Hasan
Turabi, at a forum on September 9th, 1964, argued that the “southern question” could never be solved without addressing issues surrounding Sudan’s democracy and centralization. Turabi challenged the legitimacy of the military regime, and after a series of public meetings at the University of Khartoum, the military attempted to reassert its authority. The conflagration that ensued on October 21st eventually led to the overthrow of the government.522 By April 1965, the United Front, dominated by the Umma and the NUP, had come to power. These two parties continued many of the economic policies of the ‘Abboud regime as well as its civil war in the three southern provinces of Sudan.523

Conclusion

Between 1946 and 1964, the Sudanese Ministry of Finance and Economics developed into an agency capable of managing the country’s financial and economic policy. As a consequence, for the first time since the 19th century Egyptian invasion of the territory, which became the Republic of Sudan, officials located within that territory, and whose careers had been spent inside of the various apparatuses of the Sudanese state, possessed full responsibility for the design and implementation of their country’s financial policies. This dissertation tells the story of these officials. Specifically, this dissertation examines the officials, who often laboring in obscurity prepared Sudan’s financial accounts. Finance officials played a large role in determining how the Sudanese state related to the Sudanese people. In the pursuit of economic rationality and of growth, however, finance officials exacerbated regional inequality. This inequality provoked the reoccurring conflicts that have plagued the Sudanese state since its independence in 1956. These conflicts include the ongoing humanitarian crisis in western Sudan, conflicts in eastern Sudan, violence in Blue Nile Province and southern Kordofan as well as the secession in 2011 of the southern provinces of Sudan, creating the new country of South Sudan. Economic planning, budgeting and forecasting were not only tools to help finance officials make decisions about the locations of investments, they also became critical instruments in the creation of the modern Sudanese state. Finance officials used these tools to determine how the various regions of Sudan related to one another, how the state related to its citizens, and how Sudan related to other states in the international system.

During this period the Ministry went through several different names including the Department of Finance of the Anglo-Egyptian Sudan, the Ministry of Finance and later the Ministry of Finance and Economics.
The period between 1946 and 1964 is bookended by the Second World War and the October Revolution. The Second World War witnessed a divergence in Britain and Egypt’s economic and financial policies, which led to disputes between the two Condominium powers over the political status of Sudan, and paved the way for the success of the Sudanese nationalist movement. The October Revolution of 1964 forms the second bookend not because it marked a transition from a military government back to civilian rule, but because it coincided with a change in the career trajectories of many of the country’s finance officials. Prior to 1964, officials in the Finance Department of the Anglo-Egyptian Sudan, and subsequently the independent Republic of Sudan, had been career civil servants of the territory’s Khartoum-based administration. After 1964, many Sudanese finance and economic officials became technocrats, experts, or public servants serving within an international network of finance and economic institutions. In many ways, the internationalization of economic expertise marked a return to the situation prevalent in Anglo-Egyptian Sudanese policymaking circles prior to the 1930s. Then, finance officials and economic institutions located in London and Cairo played the preeminent role in economic decision-making for the territory of Sudan.

Between 1946 and 1964, finance officials went from being government auditors to the articulators of plans against which the government’s legitimacy was measured. They did this by transforming a fragmentary and disjointed Anglo-Egyptian Sudan into a national economy. Finance officials began by asserting that they had the authority to coordinate the planning process for the entirety of Sudan without deference to the prerogatives of local or imperial actors.

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In the process of evaluating individual projects for inclusion in the five year plans that finance officials designed, they transformed the meaning of development in Sudan. Development projects that emphasized the protection of distinct populations were de-emphasized in favor of projects that benefited the territory of Sudan as a whole. Finance officials calculated the benefit of various projects to the territory of Sudan by projecting these projects’ impact on the central budget. While finance officials developed an evaluative framework for their own use, which determined the viability of projects and their suitability for funding by measuring these projects’ impact on the central budget, it was not until the 1950s that the idea of a unified Sudanese economy became institutionalized.

Initially there was a great deal of hesitation on the part of finance officials to formalize and clarify Sudan’s economic institutions. The British expatriates who held senior positions in the Government of Sudan, during the first three years of the 1950s, were engaged in a four-way battle for political supremacy with Sudanese nationalists, British and Egyptian officials. In this context they hoped to preserve institutional flexibility in order to maintain their political advantages. That meant they were willing to tolerate a currency that was attached to both Egypt and Britain, even though it meant that Sudan could not set its own monetary policy. It also meant that finance officials were willing to be flexible about the scope of the economic surveys they proposed, if that meant they could attract additional political allies. Once the political contest for the future of Sudan was won; however, the flexibility that finance officials had displayed over the linkages of the Sudanese currency to other currencies and the scope and inclusiveness of the country’s economic surveys disappeared. Between 1954 and 1956 with political power centralized in Khartoum, finance officials were now willing to create national
economic institutions. The nationalization of political and economic structures happened simultaneously.

The concentration of political and economic authority in Khartoum after self-government was achieved in 1954 allowed the bureaucracy of the newly independent Sudan to decide how the government’s resources should be spent. The government decided to expand irrigation in the south-western region of the Gezira plain, planning an undertaking became known as the Managil Agricultural Extension Scheme. Managil consumed most of the state’s development budget from 1955 until its completion in 1962. The Roseires Dam, a major goal of which was to provide additional water to Managil, was not finalized until 1967. The decision to emphasize Managil, which had the side-effect of exacerbating existing regional inequality, was supported by faith in finance officials’ ability to forecast the price of cotton. Faith in forecasting lent certainty to the expected returns from Managil. The apparent certainty of profits from Managil made alternative development projects such as the Zande Scheme in Equatoria unattractive. Yet, that certainty proved fragile as cotton prices fluctuated widely. The realization in 1957 that the government lacked sufficient funds to complete the scheme, which it had staked its development agenda on, made the state appear weak. A scapegoat was needed, and quickly found in the shape of the political parties. Their inability to agree on a plan to fund Managil became one of many justifications for the military coup that occurred on November 18, 1958.

The military buttressed its legitimacy by claiming that it was putting fiscally responsible technocrats in power in the place of feckless civilian politicians. Military leaders made use of new tools such as national income accounting to proclaim that their regime would also be accountable. In the *Ten Year Plan of Economic and Social Development 1961/62-1970/71* finance officials articulated clear and measurable goals, and they expected that if these goals
were met that the regime would be rewarded for its sound economic stewardship. Instead, despite raising the growth rate, completing Managil, and making sustained progress on the Roseires Dam, in October 1964 the military regime was greeted with angry crowds in the streets of Khartoum. The October Revolution had begun and the military had lost its mandate to rule. The senior army officers in Khartoum surrender in stunned disbelief to the crowds in the capitol in part because they had always assumed that unrest would only occur in the economically marginalized peripheral regions of the country. They had already begun a pacification campaign in the south and were prepared to sustain it. Finance officials and their military overlords had assumed that economic growth would assure legitimacy in the wealthiest parts of the country, and therefore were largely silent when it did not.

The specific story of Sudan has broader implications for the development of the state and the economy in late-colonial and early independent Africa. The impetus to study the financial and economic decision-making and practices of late-colonial and early independence finance officials was triggered by Timothy Mitchell’s observation that the breakup of the European empires was a precondition for the emergence of national economies, such as the British economy, globally. Mitchell wrote that:

one important contribution to the making of the economy was the collapse of a global network of European and other empires. Before the 1930s it would have been difficult to describe something called the “British economy,” for example, in part because the forms of trade, investment, currency, power, and knowledge that might be constituted as an economy were organized on an imperial rather than a national scale.\textsuperscript{527}

But, the “national” economies that were the result of the break-up of empire were not the only manifestation of the economy possible. The economy as a unit of measurement could develop at

\textsuperscript{527} Timothy Mitchell, \textit{The Rule of Experts} 6.
any territorial scale and function at multiple scales simultaneously. The territorial bases of the post-imperial economies were effectively determined by how, by whom and for what space economic activities were planned and measured. The choice of the scale at which economic activity was measured, however, reordered political, social and economic life. After the Second World War, economic planning and the statistical offices of newly independent states became key institutions in re-ordering the economic, political, and social structures of decolonizing societies. For instance, in Nigeria, the very location of planning offices at the regional level reinforced regional identity and autonomy, while in Sudan the attachment of the planning and statistical offices to the central government in Khartoum pushed government officials to imagine a unified economy and state for the territory of Sudan as a whole.528

What Mitchell identifies as a causal relationship between the end of empire and the emergence of the economy is actually coincidental. One of the reasons for the delay in the spread of the clear measurements and indicators necessary to make an economy visible in the colonized world was the fact that the administrators of the British Empire often preferred to rule through a mix of formal and informal institutions. Therefore authority was located at a wide array of different scales and in a diffused manner. Planning, budgeting, surveying and measuring the growth rate had the consequence of concentrating power and authority in a particular identifiable location. In Chapter 2, the discussion about the reluctance of Anglo-Egyptian finance officials to clarify how the currency used in Sudan related to the British and Egyptian pound and to determine the scope of the economic survey they were planning on carrying out highlights the reluctance of these officials to surrender power. These officials perceived that one of their principal sources of power was that they were the only authority

528 Toyin Falola, Development Planning and Decolonization in Nigeria (Gainesville, FL: University Press of Florida, 1995). See also the argument about Sudan presented in Ch.1.
capable of navigating the ambiguity inherent in the overlapping jurisdictions of the myriad political and economic institutions they controlled. The principal difficulty in establishing a measurable economy in the Anglo-Egyptian Sudan was that the location of political authority remained ambiguous. In order for economic measurements to be useful to those who govern and are governed, they have to correspond clearly to defined units of authority.

The dissertation also addresses a gap in the historiography about the role of economic experts and expertise in development and nation-building. While much of the recent scholarship has dealt with international economic experts and the ‘missions’ and ‘missionaries’ from international financial institutions that they are routinely attached to, very little research has focused on the contributions of local officials charged with financial and economic management and the implementation of development policy. Yet, this same scholarship has highlighted how crucial these officials were in policy discussions. Furthermore, there has been significant work on the spread of theories of development internationally, but much less work on the translation and adaptation of these theories to specific locales and how in the process they were implemented by state actors.


Finally, there has been very little empirical work on the inner functioning and bureaucracies of the early independent state in Africa. The late 1950s and early 1960s era has often been lost between the Africanist literature celebrating the rise of nationalism and the collapse of colonialism and the Afro-pessimism that highlighted the crisis of the post-colonial state beginning in the late 1960s and on into the 1970s and 1980s. Observers of African bureaucracy have been left with little to work with outside of concepts of ‘corruption,’ ‘incapacity’ and ‘prebendalism.’ We know very little about the goals and decision-making processes of the officials who guided African territories during the transitionary period between colonialism and independence. While the political science literature offers a wide variety of theoretical frameworks about how postcolonial states functioned, archival-based empirical studies of actual economic and financial policy-making during the decolonization period are rare. This dissertation is a contribution and addition to this literature, offering a detailed analysis of the constraints and opportunities that finance officials in late-colonial and early independent Sudan confronted as they tackled questions relating to development, state sovereignty and regional equality. All three of these issues were inevitably interconnected in the formulation of economic policy.

A study of economic policy in Sudan during the 20th century must ultimately confront the question of why the choice of Sudan. A case study conventionally offers an exemplary tale, one of success and worthy of emulation or one of failures to avoid. In terms of economic

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performance or political stability, it would be hard to argue that the history of Sudan’s transition from colony to independent state has been one of success. Independence has not lifted most of the country’s citizens out of poverty and civil war has torn the country literally apart. In 2011, Sudan became only the second country in Africa to alter its colonial borders, after a third of the country seceded. The persistence of regional inequality and poverty was one of the main causes behind the secession of southern Sudan.

This raises the question of the culpability of Sudan’s leaders and officials in the country’s plight. Even if we reject irrationality and incompetence as explanations for the design of ineffectual policy, we are forced to confront the question of whether African policymakers faced with perverse incentives to design and implement economic policies that they knew would negatively impact their countries. Robert Bates raises this question: “why should reasonable men adopt public policies that have harmful consequences for the societies they govern?” Bates argues that African leaders and officials often had to make tradeoffs between policies that matched their political interests and those that fit their economic interests. He concludes that invariably they chose to prioritize their political interests for reasons of self-preservation even if this seemed irrationally in economic terms. In order to support his analysis, Bates examined the fate of African peasants and African state’s policies towards agricultural reform. He argues that African farmers sit at the intersection of three different markets: the market for agricultural commodities, the factors of production, and the price of consumer goods. According to Bates, when given a choice between different types of possible interventions, the state chooses the less optimal method of intervening. Bates imagines that it was theoretically possible for officials to

calculate the optimal economic returns of different policies to the consumer, the farmer (producer), and the state. But, Bates’ analysis ignores the fact that the officials of the newly-independent African states in practice lacked the basic information required to make rational economic choices. Moreover, politicians and economic officials and experts were multi-tasking in the transition to independence. These officials were not only designing an economic policy for a newly-created territory, but also new institutions as well as adopting new planning instruments. Just as often as political imperatives determined the design of economic policies, economic theory and the desire to carry out particular economic policies determined political goals, even the design of the state itself.

Much of the instability that has plagued Sudanese society since independence has its origins in the decisions made by finance officials during the period between 1946 and 1964. Ironically, many of these decisions were meant to strengthen the state. Rather than focus on the contingent nature of the state during this period, many scholars have explained the persistent inequality between the center and the periphery in Sudan as an outcome of ethnic chauvinism featuring an Arabized center in conflict with an African periphery.533 By downplaying the role of economic ideas in the decisions that officials made, it becomes easy to cast those officials as corrupt and ineffective and to ignore the real debates about the nature of the economy and inequality that occurred among them. Tragically, without understanding why particular choices about the location of investment were made, it becomes easy to repeat the same mistakes.

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533 While this explanation has many variations, it is important to note variations of this explanation continue to persist today as important explanations for political discontent and resentment against the government in Khartoum, see: Julie Flint and Alex De Waal, *Darfur: A New History of a Long War* (London, UK: Zed, 2008); Abdullahi Osman El-Tom, *Darfur, JEM and the Khalil Ibrahim Story* (Trenton, NJ: Red Sea Press, 2011); Benaiah Yongo-Bure. *Economic Development of Southern Sudan.* (Lanham, MD.: University Press of America, 2007):10-16.
This work demonstrates how contingent the idea of the national economy and the nation-state were as intellectual and practical concepts at the end of empire and in the transition to independence. I have argued against the idea that the end of empire was destined to inevitably lead to the rise of nation-states and national economies in the minds of colonial and post-colonial officials. Instead, during the period of decolonization, many different political-economic units were possible. Moreover, in the first decade after independence, even officials who had championed the idea of a national economy were forced by the frequent reoccurrence of economic crises to admit that the national economy could hardly be walled off from the international economy.

Pointing forward one new direction to pursue is the career track of officials such as Hamza Mirghani Hamza. The story of Hamza is an example of the internationalization that marks the period after 1964, and, and which makes the experience of being a senior finance official different than it had been for British expatriates and Sudanese citizens in the period between 1946 and 1964. Until 1959, Hamza was the Permanent Under-Secretary in the Ministry of Finance. As the military consolidated its control, he left to work and later head the Africa Department of the International Monetary Fund (IMF). In 1965, after leading several IMF missions to other African countries, Hamza returned to Khartoum and took up a leading role as the Minister of Finance in the new government formed by Umma party stalwart Muhammad Mahjub. Upon Mirghani’s return to Sudan as Minister of Finance, he was responsible for negotiating an IMF loan program in order to stabilize the country’s increasingly fragile finances in the wake of the revolution. The experience of Mirghani raises questions about how the

increased involvement of African civil servants in international circuits of mobility shaped the decision-making of post-colonial states.
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