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## Research Note



# That Unexpected Margin of Capital

*Winston Churchill and the West Indies*

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### Abstract

For many years, a weapon in the armory of those advocating for Eric Williams's thesis that the profits from slavery helped finance the Industrial Revolution in Britain has been a speech made by Winston Churchill making that very point. Williams himself referred to the speech in 1942, as did George Padmore in 1953, but neither provided chapter and verse. Subsequently, a whole raft of commentators has followed suit, but always only via a reference to Williams or Padmore. This research note provides the original date and context for Churchill's words.

### Keywords

Winston Churchill – Eric Williams – West Indies – slavery – capitalism – West India Committee

On July 20, 1937, a historian, who would become better known as a politician, put forward the argument that Britain's domination of the nineteenth-century world was based on the capital accumulated in the West Indies. That historian was not Eric Williams, who would shortly make such an argument in his clas-

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sic study *Capitalism & Slavery* (1944), but Winston Churchill, the embodiment of British imperial values. Not surprisingly, Williams cottoned on to Churchill's words, quoting them in the early pages of the short book he wrote for Alain Locke's Bronze booklet series, *The Negro in the Caribbean*. George Padmore followed suit in *The Gold Coast Revolution*. In recent years, the words have been quoted by a number of writers—A.N.R. Robinson (1971:17), Rose-Marie Belle Antoine (1999:23), Hilary Beckles (2007:22), Patrick Bellegarde-Smith (2011:241), Peter Fryer (2021:4), Kehinde Andrews (2021:83)—but always via Williams or Padmore, neither of whom provided a source. This present note gives more detail and some context to Churchill's words.

These are the words as Padmore quotes them. (Williams omits the first sentence and the parenthesis).

The West Indies 200 years ago bulked very largely in the minds of all people who were making Britain and the British Empire. Our possession of the West Indies, like that of India—the colonial plantations and development, as they were then called—gave us the strength, the support, but especially the capital, the wealth, at a time when no other European nation possessed such a reserve, which enabled us to come through the great struggles of the Napoleonic Wars, the keen competition of commerce in the 18th and 19th centuries, and enabled us not only to acquire this appendage of possessions which we have, but also to lay the foundations of that commercial and financial leadership which, when the world was young, when everything outside Europe was undeveloped, enabled us to make our great position in the world.

PADMORE 1953:16; WILLIAMS 1942:14

Padmore says that the words are taken from an address that Churchill gave to "a banquet of West Indian sugar planters on July 20, 1939." Writing in 1942, Williams says the speech was given four years earlier, which would place it in 1938, the year that Robinson gives (referencing Williams), as does Beckles (referencing Robinson). Fryer (referencing Padmore) has 1939. The banquet actually took place on July 20, 1937, and it was a dinner given at the Dorchester Hotel for the Duke of Kent by the West India Committee (WIC), the body which for many years had spoken for West Indian sugar planters, some of whom were present that night.

It was a dazzling occasion.<sup>1</sup> Lord Hailsham, the lord chancellor, presided and the newly crowned king (George VI's coronation having taken place two

1 See "Duke of Kent on West Indies," *The Times*, July 21, 1937, p. 11.

months earlier) sent a message. The king's brother, the Duke of Kent, spoke; Mr. Ormsby Gore, secretary for the colonies, replied; Lord Strathcarron toasted "the Guests"; Winston Churchill replied; and finally Lieutenant-Colonel Ivan Davson, chairman of the West India Committee, proposed the health of Lord Hailsham.<sup>2</sup>

A number of the guests had West Indian connections: Edward Hutson, archbishop of the West Indies; Alan Burns, governor of British Honduras; Geoffrey Northcote, governor of British Guiana; Selwyn Grier, former governor of the Windward Islands; and Henry Hesketh Bell, former governor of the Leeward Islands. But it was Hailsham who was perhaps the most pertinent presence. Douglas McGarel Hogg, 1st Viscount Hailsham, PC, KC (1872–1950), had spent eight years working in the West Indies for his family's sugar company, inherited from Charles McGarel, an Ulster-Scots merchant and slave-owner who, under the terms of the 1833 Slavery Abolition Act, had received £129,464 (about £101 m in today's terms) for the 2,489 slaves he owned. Hailsham's father, Quintin Hogg, had once been deputy chairman of the WIC (Hall 1971).

The occasion was also something of a memorial event for Sir Eliot Arthur de Pass KBE FRSA (1851–1937), who had died just nine days earlier. De Pass, born in London into a Sephardic Jewish family, had a Jamaican mother, Judith Lazarus, and himself married Beatrice de Mercado, daughter of a prominent Jamaican merchant. De Pass founded his own firm of E.A. de Pass & Co., which specialized in trading sugar and coffee from Jamaica. He had been an active member of the WIC and served as its chairman from 1925 to 1936, and then as its president until his death. His obituary in *The Times* had been written by his friend Sir Edward Davson, whose brother, Sir Ivan, had taken over as chairman of the West India Committee.<sup>3</sup> Both were sons of Sir Henry Katz Davson, who had been deputy chairman of the WIC. The Davson family business was based in British Guiana. So, as might be expected, the interests of West Indian businessmen were powerfully represented at this dinner.

In the summer of 1937, West Indian business was facing a crisis. Labor disputes had marked the previous three years (Bolland 1995). There had been labor agitation in British Honduras in February 1934 (which ended in a riot

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- 2 Prince George, Duke of Kent (1902–1942) was the fourth son of King George V and Queen Mary. The new king was George VI, previously Bertie, having usurped his youngest brother's name when Edward VIII was forced to abdicate. William George Arthur Ormsby-Gore, later 4th Baron Harlech (1885–1964). Ian Stewart Macpherson, 1st Baron Strathcarron PC PC (Ire) KC JP (1880–1937), known as Sir Ian Macpherson, 1st Baronet, between 1933 and 1936, a British lawyer and Liberal politician.
  - 3 Sir Edward Davson, "Sir Eliot de Pass," *The Times*, July 16, 1937, p. 14. Davson himself died three weeks later.

in September) and sugar estate disturbance in Trinidad, involving over 15,000 Indo-Trinidadian laborers in May–July 1934. This was followed by strikes in September on five sugar estates on the west coast of Demerara. The year 1935 began with the St. Kitts sugar strike in January, a strike in Trinidad’s oilfields in March, with a hunger march to Port of Spain, followed by labor protests in May on Jamaica’s north coast when rioting among banana workers in the town of Oracabessa was followed by a strike of dockworkers in Falmouth that ended in violence. In September and October, there were riots on various sugar estates in British Guiana; in October, rioting also took place in St. Vincent in Kingstown and Camden Park; and in November, there was a strike of coal workers in St. Lucia. After a relatively tranquil year in 1936, there was widespread unrest in Trinidad in early 1937, which began in the oilfields but eventually spread to the sugar belt and the towns, and in Barbados in June, which started in Bridgetown, spread to rural areas, and left between 14 and 22 dead. At the same time, the movement for West Indian self-government was beginning to gather force. In the early 1930s, strong cases had been made out in print: C.L.R. James’s *The Case for West-Indian Self Government* (1933) and W. Adolphe Roberts’s case for Jamaican self-government published as an appendix to his biography of Sir Henry Morgan (1933:293–96). The Jamaica Progressive League had then been founded in September 1936 in New York. One of its co-founders, W.A. Domingo, had visited Jamaica in February and March 1937, during which period the radical weekly newspaper *Public Opinion* was launched. While Domingo was on the island, the *Gleaner* journalist Ken Hill wrote an impassioned column about the need to emulate the Jamaica Progressive League by forming a Jamaica National Movement to press for economic and political reform, which he duly created on March 31.<sup>4</sup> Some of these events presumably impacted at least indirectly on the decision of the WIC to host this banquet, their first since 1921 (when Churchill had also been present, then as secretary of state for the colonies). Now, however, in 1937 he was still in his “wilderness years”: two months previously, Neville Chamberlain had succeeded Stanley Baldwin as prime minister, but Churchill had not been offered a cabinet post (Gilbert 1982).

While the report in *The Times* was about three-quarters of a column long, the Jamaican *Gleaner* put its report on the front page and dedicated more than three columns to accounts of the speeches, paying particular attention to those by Ormsby Gore and Churchill.<sup>5</sup> Ormsby Gore had paid tribute to the effec-

4 Ken Hill, “Things We Need,” *The Gleaner*, March 9, 1937, p. 6; “National Movement Launched,” *The Gleaner*, April 3, 1937, p. 10.

5 “Jamaica Figures Largely in Speeches Delivered at West India Club Dinner,” *The Gleaner*, August 11, 1937, pp. 1, 6.

tiveness of the WIC in lobbying the government about the importance of West Indian commerce. He noted the continuing significance of sugar, but also saw in the audience at the dinner the “oil kings” of Trinidad, the “banana kings” of Jamaica, and the cocoa planters of Grenada. The report further states that “[a]s Secretary of State for the Colonies he desired to acknowledge publicly the spirit shown by two great firms that dealt in Jamaican bananas in setting aside a percentage of their profits to form a fund to give £20,000 a year as a free gift to be managed by a trust for the benefit of agricultural workers in Jamaica.” This last point refers to the development agency, Jamaica Welfare Ltd., established by Norman Manley with funds Manley persuaded the United Fruit Company mogul, Samuel Zemurray, to contribute (Sherlock 1980:75–80).

Lord Strathcarron then introduced Churchill as “one of the greatest and most brilliant men of our time.” Churchill was accorded “an enthusiastic reception.” Recalling the long association of Great Britain and the West Indies, he spoke the words that Williams and Padmore quote, although adding—as Williams and Padmore do not—“We could never forget the patriotism and loyalty of the West Indies in those historic times to the Mother Country.”

There is one further paragraph to the *Gleaner* report:

Mr. Churchill said that there was much talk nowadays of giving away old Colonies to “have not” nations to try their prentice hand in seeing how they could make a success of them, or else of putting them under one of those international committees which passed pious resolutions but somehow failed—woefully failed—in the execution of their noble resolutions. He hoped that, before any decisions of the kind were taken, the wishes of the people in those various Colonies would be ascertained. He was sure that they would say with a united voice that they wished to remain under the shelter and freedom of the British flag. (Cheers).

Needless to say, what Churchill had in mind as “the people” were the kind of white West Indians attending the WIC banquet, not those who had been stirring up trouble on the islands over the last couple of years. Churchill spoke from notes, which survive.<sup>6</sup> Among other things, they provide the phrase “that unexpected margin of capital,” intended to summarize the advantage that Britain had gained from two centuries of slavery in the Caribbean. The newspaper

6 “Speech at West Indies Banquet, 20.7.37,” CHAR 9/126/46–50, Churchill Archives Centre, Cambridge University; with thanks to Katharine Thomson.

account of Churchill's words is the only surviving record of the speech; there is no trace of it in the eight volumes of his "complete" speeches (Churchill 1974). As so often, what gets left out is at least as telling as what is included.

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