

# KENYA NATIONAL ARCHIVES

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COLONY AND PROTECTORATE OF KENYA



LEGISLATIVE COUNCIL  
DEBATES, 1931

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VOLUME II

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NAIROBI  
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1932



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List of Members of Legislative Council,  
18th August, 1931

*President:*

HIS EXCELLENCY SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.  
(GOVERNOR).

*Ex officio Members:*

COLONIAL SECRETARY (HON. H. T. MARTIN, C.B.E.) (Acting).  
ATTORNEY GENERAL (HON. A. D. A. MACGREGOR, K.C.).  
TREASURER (HON. H. H. RUSHTON).  
CHIEF NATIVE COMMISSIONER (HON. A. DE V. WADE, O.B.E.) (Acting).  
COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT  
(HON. W. M. LOGAN) (Acting).  
DIRECTOR OF MEDICAL AND SANITARY SERVICES (HON. DR. J. L. GILKS).  
DIRECTOR OF AGRICULTURE (HON. H. WOLFE) (Acting).  
DIRECTOR OF EDUCATION (HON. E. E. BISS) (Acting).  
GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS  
(BRIG.-GEN. THE HON. G. D. RHODES, C.B.E., D.S.O.).  
DIRECTOR OF PUBLIC WORKS (HON. H. L. SIKES).  
COMMISSIONER OF CUSTOMS (HON. G. WALSH, C.B.E.).

*Nominated Official Members:*

HON. T. FITZGERALD, O.B.E. (Postmaster-General).  
HON. T. D. H. BRUCE (Solicitor-General).  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O. (Provincial Commissioner, Nzoia).  
MAJOR THE HON. H. H. BRASSEY-EDWARDS (Chief Veterinary Officer).  
COL. THE HON. R. WHINSON, D.S.O. (Officer Commanding Northern  
Brigade, King's African Rifles).  
HON. T. D. BUTLER [1] (Acting Provincial Commissioner, Masai).  
HON. C. O. GILBERT [2] (Surveyor-General).  
HON. L. A. FEILD-JONES [3] (Acting Provincial Commissioner, Coast).  
HON. H. R. E. E. WELBY [4] (Acting Provincial Commissioner, Rift Valley).

*European Elected Members:*

RT. HON. LORD DELAMERE, K.C.M.G. (Rift Valley).  
HON. CONWAY HARVEY (Lake).  
HON. T. J. O'SHEA (Plateau South).  
MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE, D.S.O. (Coast).  
LT.-COL. THE HON. C. G. DURHAM, D.S.O., J.P. (Kikuyu).  
LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.O. (Plateau North).  
HON. F. A. BEMISTER (Mombasa).  
CAPT. THE HON. J. L. COTTER, M.C. (Kenya).  
LT.-COL. THE HON. LORD FRANCIS SCOTT, D.S.O. (Ukamba).  
HON. W. C. MITCHELL (Acting) [5] (Nairobi South).  
COL. THE HON. W. K. TUCKER (Acting) [6] (Nairobi North).

[1] Temporary Member, in place of Mr. E. H. Horne, O.B.E.  
" " " " Mr. S. F. Deck.  
[2] Nominated Member representing the interests of the Arab Community.  
[3] Temporary Member, in place of Mr. H. R. Montgomery.  
[4] " " " " Capt. H. E. Schwartze.  
[5] " " " " Capt. H. F. Ward.

LIST OF MEMBERS OF LEGISLATIVE COUNCIL—Contd.

*Indian Elected Members:*

HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
(1 seat vacant)

*Arab Elected Member:*

HON. SHERIFF ABDULLA DIN SALIM.

*Nominated Member Representing the interests of the African Community:*

REV. CANON THE HON. G. BURNS, O.B.E.

*Acting Clerk of the Legislative Council:*

MR. G. BERESFORD STOOKI.

ABSENTEES FROM LEGISLATIVE COUNCIL MEETINGS

18th August, 1931.

HON. COMMISSIONER OF CUSTOMS.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

19th August, 1931.

HON. COMMISSIONER OF CUSTOMS.  
HON. LL. A. FEILD-JONES.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

26th August, 1931.

HON. LL. A. FEILD-JONES.  
HON. F. A. BEMISTER.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

27th August, 1931.

HON. LL. A. FEILD-JONES.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

28th August, 1931.

HON. LL. A. FEILD-JONES.  
HON. F. A. BEMISTER.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

31st September, 1931.

HON. DIRECTOR OF PUBLIC WORKS  
HON. COMMISSIONER OF CUSTOMS.  
HON. LL. A. FEILD-JONES.  
CAPT. THE HON. J. L. COTTER, M.C.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.

25th November, 1931.

HON. DIRECTOR OF MEDICAL AND SANITARY SERVICES.  
HON. COMMISSIONER OF CUSTOMS.  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O.  
HON. E. B. HORNE.  
HON. H. R. E. E. WELBY.  
HON. LL. A. FEILD-JONES.  
LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.O.  
HON. F. A. BEMISTER.  
REV. CANON THE HON. H. LEAKEY.  
HON. SHERIFF ABDULLA DIN SALIM.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

ABSENTEES FROM LEGISLATIVE COUNCIL  
MEETINGS—(Contd.)

26th November, 1931.

HON. DIRECTOR OF MEDICAL AND SANITARY SERVICES.  
HON. COMMISSIONER OF CUSTOMS.  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O.  
HON. LL. A. FEILD-JONES.  
LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.I.  
HON. SHERIFF ABDULLA BIN SALIM.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

27th November, 1931.

HON. DIRECTOR OF MEDICAL AND SANITARY SERVICES.  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O.  
HON. LL. A. FEILD-JONES.  
LT.-COL. THE HON. J. G. KIRKWOOD, C.M.G., D.S.O.  
HON. SHERIFF ABDULLA BIN SALIM.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

2nd December, 1931.

HON. T. J. O'SHEA.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

3rd December, 1931.

HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

4th December, 1931.

HON. E. B. HORNE.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

7th December, 1931.

HON. GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND  
HARBOURS.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

8th December, 1931.

HON. GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND  
HARBOURS.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.

ABSENTEES FROM LEGISLATIVE COUNCIL  
MEETINGS—(Contd.)

8th December, 1931—(Contd.)

HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

9th December, 1931.

HON. GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND  
HARBOURS.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

10th December, 1931.

HON. GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND  
HARBOURS.  
HON. DIRECTOR OF PUBLIC WORKS.  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.

11th December, 1931.

HON. GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND  
HARBOURS.  
HON. COMMISSIONER OF CUSTOMS.  
LT.-COL. THE HON. O. F. WATKINS, C.B.E., D.S.O.  
HON. HAKIM SINGH.  
HON. DHANWANT SINGH.  
HON. ABDUL WAHID.  
HON. DR. A. U. SHETH.  
HON. C. M. PATEL.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES  
1931

SECOND SESSION

TUESDAY, 18th AUGUST, 1931

The Council assembled at 11 a.m. at the Memorial Hall, Nairobi, on Tuesday, the 18th August, 1931, HIS EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

The Proclamation summoning the Council was read.

ADMINISTRATION OF THE OATH.

The Oath of Allegiance was administered to:—

*Ex-Officio Members:*

WILLIAM MARSTON LOGAN, Acting Commissioner for Local Government, Lands and Settlement.

EVAN EBENEZER BISS, Acting Director of Education.

*Nominated Official Member:*

ROGER WILKINSON, Officer Commanding Northern Brigade, King's African Rifles.

*European Elected Member:*

FRANCIS GEORGE MONTAGU DOUGLAS SCOTT, Member for Ukamba.

## COMMUNICATION FROM THE CHAIR.

## HONOURABLE MEMBERS OF LEGISLATIVE COUNCIL:

The primary object of this Session is the consideration of the Budget; this being so, only non-controversial legislation or legislation of an urgent character, such as the Abyssinian Arms Traffic Bill, or of importance in connexion with the economic position, will be laid before you.

In the latter category are the Carriage of Goods by Motor Bill, and the Co-operative Societies Bill; it is proposed to discuss to-morrow with the Reports of the Select Committees appointed by you to consider these Bills and, if it meets with the approval of the Council, then to adjourn so as to give you an opportunity of studying the Estimates.

As I mentioned in my address at the last Session of Council I arranged this year to lay the Budget in August owing to the difficult economic position and to my desire to take an early opportunity of associating the Unofficial Members with the financial problems, more particularly as many of the economies reflected in the 1932 Estimates; if they are to be effective, must be implemented at once.

Honourable Members, the past couple of years have indeed been years of disappointed hopes in so far as estimates of revenue are concerned: Kenya has not suffered alone in this disappointment. Notwithstanding the care devoted by Government and the close scrutiny bestowed by Unofficial Members, I find the position to be as follows:—

In 1929 you passed the 1930 Estimates wherein you approved of the revenue being shown at £3,461,612. This figure was carefully reviewed in November last year when you reduced it to £3,403,351. The actual revenue collected was £3,241,599, a drop of no less than £220,013 compared with the original estimate.

Then again take 1931. Last November, after long discussion in Select Committee, the revenue for this year was estimated at £3,515,983. In June I had to warn you that there would be a large shortfall and on the unavoidably incomplete figures then before me I anticipated that this shortfall would at least amount to £231,000. With the later information collected in the past couple of months I find that, even allowing for the additional taxation imposed, it would be prudent to estimate the final shortfall at about £324,000. This is truly a formidable amount, an amount quite impossible to wipe out entirely during 1931. It indicates the difficulties we have recently had to contend with and which we now have to grapple with in connexion with the 1932 Estimates.

The deficit for 1931 is accordingly estimated to be in the neighbourhood of £110,000 but this will, I hope, be reduced by the usual departmental savings which in a normal year are very considerable but which this year will undoubtedly be much smaller in amount. At the same time we propose to relieve the drain on our surplus balances by transferring from Surplus Balances Account to Loan the item £44,000 appropriated under the Public Officers' Housing Scheme.

I now turn to the 1932 Estimates. It would be wasting your time for me to go into them in any detail, for they are fully explained in the Colonial Secretary's Memorandum circulated with the Estimates. There are one or two points; however, which I should like to emphasize. It is wise, I think, in these uncertain times, not to give way to undue optimism and should you consider the 1932 Customs estimate unduly optimistic I invite your attention to the fact that in making a comparison between the £963,000 for 1931 and the £866,000 for 1932 you must bear in mind that as the result of the taxation measures passed during the last Session roughly £48,000 should be deducted from the latter. Of this £48,000 no less than £30,000 represents the Consumption Tax shown in previous Estimates under "Licences, Duties and Taxes," and now for the first time incorporated in the general Customs tariff and included under the heading "Customs Revenue." However, on these matters the Select Committee will have the advantage of hearing the views of the Commissioner of Customs, whose sane judgment on estimates affecting his Department can, I think, safely be relied upon.

As regards expenditure it is unfortunately the case that not only have we to meet the loss of revenue caused by the unprecedented trade depression, augmented as it has been by the locust infestation, but we have in addition to allow next year for further heavy commitments due to the charges on the Public Debt Funded and to Guarantees on the Branch Lines, etc. These total £110,000. Therefore, taking everything into consideration, I do suggest that a Budget which, without containing provision for additional taxation, shows a surplus of over £62,000 is not unsatisfactory; it is certainly more satisfactory than I ever anticipated.

I shall now conclude these general remarks by expressing my grateful thanks to those upon whom the burden of preparing the Budget mainly fell. I thank Mr. Moore, the Colonial Secretary, Mr. Rushton, the Colonial Treasurer, and Mr. Beresford Stooke who so ably assisted them. I thank particularly the Heads of Departments who so willingly endeavoured to carry out my instructions which were to the effect that as far

as possible hardship on individuals should be avoided and that the framework of the existing essential services should be maintained so that it could be built upon again when times become more normal. But my own feeling is that we shall have to seize every opportunity during next year and the years to follow to lower the overhead charges of this Government to a figure which we can bear with confidence and safety. (Hear, hear.)

May I again extend to those who have suffered from the locust invasion the heartfelt sympathy of the Government and express to them its admiration of the pluck and determination with which the misfortunate has been faced.

Honourable Members of Council, there are several important matters which require our consideration during the Session such as the question of Loan Expenditure and the enquiry into the possibility of devising a practical Agricultural Credit System as a corollary to the Co-operative Credit Bill now before you. I suggest, however, that the Budget should first be disposed of as we shall then have clearer ideas regarding our financial position. I have given instructions that certain schemes requiring help from the Colonial Development Fund should be laid before you; we have as yet received little or no benefit from this generous grant-in-aid voted by the Imperial Parliament. You may now think it desirable to send forward some of these schemes for the consideration of the Advisory Board.

Honourable Members of Council, I trust that under Providence your deliberations in this Session will promote the welfare of the Colony and Protectorate and of all the races in them.

#### MINUTES.

The Minutes of the meeting of the 19th June, 1931, were confirmed.

#### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN):—

Draft Estimates of Revenue and Expenditure for the Year 1932.

Memorandum on Draft Estimates for 1932.

“The Future of Forestry in Kenya.”

The Kenya Police Annual Report, 1930.

The Kenya Prisons Annual Report, 1930.

By THE HON. THE ATTORNEY GENERAL (MR. A. D. A. MACGREGOR, K.C.):—

Report of Select Committee on the Carriage of Goods by Motor (Control) Bill.

Report of Select Committee on the Co-operative Societies (Registration) Bill.

Rules of Court (Advocates' Remuneration and Taxation of Costs Amendment) No. 2 of 1931.

By THE HON. THE TREASURER (MR. H. H. RUSHTON):—

Financial Report and Statement for 1930.

By THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN):

Statement of Land Grants, etc., 1st January to 31st March, 1931.

By THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG.-GEN. G. D. RHODES):

Kenya and Uganda Railways and Harbours Supplementary Estimates, 1930.

#### BILLS.

##### FIRST READINGS.

On motion of the hon. the Attorney General the following Bills were read a first time:—

The Births and Deaths Registration (Amendment) Bill.

The Legitimacy (Amendment) Bill.

The Arbitration (Foreign Awards) (Amendment) Bill.

The Civil Procedure (Amendment) Bill.

Notice was given to move the second readings of the above Bills at a later stage of the Session.

The Council adjourned till 10 a.m. on Wednesday, the 19th August, 1931.

WEDNESDAY, 19th AUGUST, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Wednesday, the 19th August, 1931, His EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

HIS EXCELLENCY opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 18th August, 1931, were confirmed.

#### PAPERS LAID ON THE TABLE.

The following paper was laid on the Table:—

By THE HON. THE ACTING CHIEF NATIVE COMMISSIONER (MR. A. de V. WADE):

Summaries of Local Native Fund Accounts, 1930.

#### NOTICE OF MOTION.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I beg leave to give notice of the following motion:—

“That the Report of the Committee of Inquiry into the administration of the Public Works Department should be published in the public interest.”

#### ORAL ANSWERS TO QUESTIONS.

##### PAYMENT OF POLL TAX BY EMIGRANTS.

THE HON. F. A. BEMISTER asked:

“Whether Government is satisfied with arrangements now in force whereby emigrants prove the payment of Poll Tax for at least two years before leaving the Colony?”

Are the receipts actually shown to the signer of the passports at the time of embarkation?

Will Government consider a system whereby the tax receipts can remain filed during the absence of the passenger from the Colony?”

THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN): There is no legislation under which Police Officers, whether or not acting as Passport Officers, may demand the production of tax receipts, although as a matter of administrative convenience Asiatic emigrants are usually asked to

produce such receipts when applying for a passport, or for renewal or visa of a passport. A Passport Officer has, however, no power to withhold a passport if this request is not complied with.

It is not apparent that any advantage would be gained by filing emigrants' tax receipts, as records of payments are available in the Colony. Furthermore, application of this system would necessitate legislation to provide for the compulsory appropriation of the private property of a taxpayer, which would be open to grave objection.

#### MISING PROPERTY—MR. CHARLES COTTAR.

COL. THE HON. W. K. TUCKER asked:—

“Whether Government is able to give an assurance that strict justice and reasonable consideration have been shown to Mr. Charles Cottar in respect of a mining property in the Malindi District which he discovered, sunk much capital in, and worked from October, 1922, onwards. Will Government state why the original mining licence has not been converted into a proper lease, giving Mr. Cottar the benefit of the old mining laws which were in force when he commenced operations; or alternatively whether Government will consider compensating Mr. Cottar for the development work, buildings and machinery alleged to be valueless unless and until an equitable lease is granted?”

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN): I can give the desired assurance. The claims have not been converted into a mining lease because Mr. Cottar has failed to submit a proper application. Government will not consider the payment of compensation to Mr. Cottar.

THE HON. T. J. O'SHEA: Your Excellency, arising out of that answer, may I ask whether Mr. Cottar can still have a lease if he makes the necessary request?

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Your Excellency, if and when the Mining Ordinance, 1930, is brought into effect, he will retain under the 1930 Ordinance on the condition that he exercises those rights within the provisions of the Mining Ordinance, 1930.

#### NEW APPOINTMENTS AND NEW BUILDINGS.

THE RT. HON. LORD DELAMERE: Your Excellency, may I give notice of the following question:—

“Will Government give an assurance—

- (1) That no posts will be filled and no new appointments made;
- (2) That no new buildings will be started: until the 1932 Budget is passed?

#### MOTIONS.

REPORT OF SELECT COMMITTEE ON THE CARRIAGE OF GOODS BY MOTOR (CONTROL) BILL.

THE HON. THE ATTORNEY GENERAL (MR. A. D. A. MACGREGOR, K.C.): Your Excellency, I beg to move:—

“That the Report of the Select Committee on the Carriage of Goods by Motor (Control) Bill be adopted.”

The Report in question, Sir, has been in the hands of hon. Members for some days, I understand, and it is a matter which has attracted a considerable amount of public interest. In view of those facts, Sir, and in view of the further fact that the principle underlying the legislation was accepted by this Council at the last Session, I do not propose to do more at this juncture than discuss and endeavour to explain shortly the amendments to that legislation which are recommended in this Report.

The first eight paragraphs of the Report, Sir, are explanatory of the arguments which were adduced by the witnesses who appeared before the Committee, and as I see the position this morning, Sir, call for no further explanation on my part. I propose, therefore, Sir, to begin with the ninth paragraph of the Report where the suggested amendments commence. Of those amendments, Sir, there are, I think, relatively few to which I need specifically draw attention. There is, however, one—or I might perhaps more correctly say there are two which are of considerable importance. Hon. Members will recollect that in the Bill as published and as read a second time in this Council the system of scheduled points extended from Mombasa right throughout the Colony and Protectorate to Eldoret on the one side and to Kisumu on the other side, thus covering practically all the road system of the Colony which ran parallel to the main Railway lines. The recommendation of the Committee, Sir, is that for the time being at least and in view of the provision in the Bill which we recommend should still be retained that Your Excellency may add further scheduled points if and when occasion for so doing arises we recommend, Sir, in this



Report that the scheduled points should extend only to Nakuru, but that between Mombasa and Nairobi—the most important portion of the road system of the Colony from the point of view of this legislation—there should be not one scheduled point, as originally recommended, at Voi, but two—at Voi and at Makindu. The effect of that will be, Sir, that between Mombasa and Nairobi there will be three stages: Mombasa to Voi, Voi to Makindu, Makindu to Nairobi. Beyond Nairobi there will be one further stage of approximately the same road mileage from Nairobi to Nakuru.

As a necessary corollary to the acceptance of that recommendation, Sir, there follows a reduction of the licence fee over any one stage. The original Bill recommended a licence of £45 from Mombasa to Voi and a licence of a corresponding amount from Voi to Nairobi. The recommendation of the Committee, Sir, is that Masaruch as there will now be three stages instead of two the original total licence from Mombasa to Nairobi of £90 should be retained but that instead of two stages of £45 each there should now be three stages, each of which will cost £30. A further corollary to that, Sir, is that for a licence to convey goods for hire from Nairobi to Nakuru, instead of a fee of £45 there will now be charged a fee of £30. That I think, Sir, is not so unjustifiable as it may appear at first sight to be because, Sir, when we are considering the position of Nakuru there operate in favour of the Railway Administration both the taper rate on a long haul from the Coast and also the distribution rates—especially low distribution rates—from Nairobi. That I think is the most important of the recommendations which the Committee has made, Sir, but I propose with the indulgence of Council to traverse very shortly the remaining recommendations which the Committee has made, which hon. Members will find in the ninth paragraph of the Report.

(g) is, I think, a very small one. The original Bill contained a proviso that neither the General Manager of the Kenya and Uganda Railways and Harbours nor the Director of Public Works should be eligible for membership of the Board. That proviso, Sir, the Committee have recommended should be deleted, but there is no intention on the part of Government to appoint either of those gentlemen as a member of the Board. The Committee felt, however, Sir, that the Colony developed when in the best interests of the community of transport throughout the Colony as a whole it might be of very great advantage to the Colony to be able to have the services either of the General Manager of the Railway or of the Director of Public Works. Until that time comes, Sir, there is no intention to appoint either of

those gentlemen. If the original proviso had been retained it would have been impossible at any time without amendment of the legislation to take advantage of their advice and assistance on the Transport Board.

The further recommendations in that paragraph, Sir, (b) and (c), are necessitated by what I endeavoured to explain on the second reading—the fact that the Bill was published without complete overhaul, an overhaul which was necessitated by the decision of Government to limit the scope of the Bill to competition with the Railway. (b) and (c) of the recommendations and the last one, Sir, (x) on page 5, put that position, I hope, right.

Recommendation (d) substitutes for the original clauses 6 and 7 a comprehensive omnibus clause which is modelled on the corresponding provisions of the recent English legislation of 1930. That I think hon. Members will admit is certainly an advantage because it will make available to the Board in the performance of their duties the decisions of the English Traffic Commissioners for the various traffic areas throughout Great Britain on exactly similar points. Where we can have the advantage of a volume of decisions such as is rapidly growing throughout Great Britain it is, I think, manifestly in the interests of this Colony that our wording should be the same so that those decisions can be construed in the light of local conditions and applied where possible. The proviso to clause 7 of the Bill as read a second time that the Board should not be entitled to refuse a licence merely because the Railway is adequate to carry the goods in the Colony is perpetuated in this new clause.

Recommendations (f), (g) and (h) deal with the question of insurance. The original clause dealing with insurance was taken verbatim from our local Traffic Ordinance which in turn repeated the wording on the question of compulsory insurance of the English Traffic Act of 1925. Experience in the period of five years in the practical working of that English Act has shown that the wording is obscure, difficult of interpretation, and has given rise to many practical difficulties. Therefore, Sir, the English Act of 1930 has recast the same section in much more clear and lucid language. The representatives of local insurance companies appeared before the Committee and pressed for the adoption in our local legislation of the most recent English provisions on the subject. To that request, Sir, the Committee have given effect in these recommendations. The new legislation makes no real change in the position regarding compulsory insurance whatsoever except that the insurance of persons will not cover those employed in and about the vehicle and the insurance of goods will not

compulsorily cover goods carried in the vehicle, and further there is a proviso that in respect of claims arising out of an accident for damage done to the goods of a third party the claim should be limited to £1,000. There is, of course, Sir, I interpolate at this moment, no reason at all why any person operating a vehicle under this Ordinance should not take complete cover if he desires to do so. I am dealing here only with that which he is compelled to do. He is, of course, perfectly free to effect as full and comprehensive a policy of insurance as he desires to take out.

There is a new provision, Sir, in recommendation (f) in substitution for the previous provision that a licence should be annual and should expire on the 31st day of December of the year in which it is issued. It was represented by the insurance companies, Sir, that that would entail, because a licensee has also compulsorily to insure, considerable additional work to them and additional trouble to everyone concerned. Their policies, of course, run for twelve months from the date of issue. The English legislation on the similar subject provides for a licence which runs for twelve months from the date of issue and that is the provision which we now recommend should be adopted in our local legislation. Also the licence and the insurance policy will be co-terminous and there will be no unnecessary work cast either on the Board or on the local representatives of the insurance companies, nor will additional expense be cast on applicants for licences by reason of the fact that they will not now have to take out insurance policies at, of course, greater premium charges for a portion of the year.

It is also provided in the next recommendation, Sir, that the licence may be transferred provided always that the vehicle to which the licence is to be transferred is of no greater capacity than the vehicle originally licensed.

With recommendation (b) I have already dealt.

Recommendation (m) exempts from the purview and scope of the legislation vehicles used in connexion with the travelling of persons on a temporary visit to the Colony. I think, Sir, the tourist trade is obviously one which it is in the interests of the Colony to foster, and to that exemption, Sir, I am quite sure no hon. Member will take exception.

The next recommendations, Sir, deal with entirely new clauses which hardly call for comment. They deal with obvious subjects: a vehicle has to have a mark showing its licence; police officers have power to call upon the driver or owner to produce his licence and also his policy of insurance; the forgery of any document necessary under this licence constitutes an offence.

Finally, Sir, in recommendation (g) we find in the rule-making powers a further power to prescribe for the remuneration of members of the Board in respect of their duties.

The schedule has been re-cast, Sir, in the light of what I have already said about the addition of an extra scheduled point at Makindu and the limitation of the scope, in the first instance at least, of this legislation to the road from Mombasa to Nakuru.

Those are the points dealt with, Sir, and the recommendations embodied in this Report which I am happy to say is to all intents and purposes a unanimous Report although, Sir, both my friend the hon. General Manager of the Railway, and the Noble Lord, the hon. Member for Rift Valley, and the hon. Member for the Coast, have put in short reservations but they have at the same time signed the Report. With those reservations I do not think it is necessary for me, at least at this moment, specifically to deal.

Before I close, Sir, I would wish to say only two things more. It is admitted, Sir, it is recognized by Government that this legislation is experimental. I do not think that anyone here connected with it has ever attempted to put it higher than that. It is a subject which has taxed the ingenuity of the Governments of most countries in the world. It has to be dealt with in different ways in different parts of the world and it cannot be and certainly will not be on this side of the House, Sir, represented as anything more than experimental. There is no reason at all why different means should not some day be adopted to deal with this problem. There is at least given in this legislation the latitude to add further scheduled points if this particular method of tackling the problem proves by the acid test of practical experience to be a sound one but there is no suggestion that this will necessarily and inevitably stand the test of time and practical experience, but it will—I hope hon. Members will agree—at least prove some palliative to the situation for the time being at least. I do hope that hon. Members will agree with me that it can only be in the light of the experience which we gain from the practical working of this that we can get that degree of assurance which will enable us really to tackle the problem, if and when occasion to do so arises.

The other point, Sir, is this: it may be felt in certain quarters in the Colony that the obligation to pay a relatively high licence fee for the privilege of running over certain roads necessarily connotes a corresponding obligation on the part of Government to maintain those roads in a high state of efficiency. If anyone does cherish such a hope, Sir, I must disillusion him. The road expenditure of the Colony, Sir,

will be allocated as heretofore in accordance with the needs of the different parts of the Colony and without any relation either express or implied to the provisions of this legislation.

I beg to move that the Report be adopted.

THE HON. T. D. H. BRUCE (SOLICITOR GENERAL) : Your Excellency, I beg to second.

HIS EXCELLENCY : The question is :

"That the Report of the Select Committee on the Carriage of Goods by Motor (Control) Bill be adopted."

THE RT. HON. LORD DELAMERE : Your Excellency, I am not going to say much on this Bill. I said a few words on it the other day. The only thing I wish to say is this, that I have signed the Report because I believe that it is the best method that can be adopted or which we can get agreement, although I personally hold rather other opinions as to what other means might have been adopted if we could have got agreement on the subject.

The undertaking given, or the statement made by the hon. mover of the motion that Government does not intend necessarily to make a second roadway in addition to the Railway from the Coast to Nairobi has quieted my nervousness on the subject a good deal.

I am quite sure of one thing, Sir, that if this Bill does not carry out what it is intended to carry out, which is to do away with unfair competition with the Railway, it will have to be altered in the near future. We have strained the resources of this country to an extraordinary degree to build one form of State transport right throughout the country to the borders of Uganda and to my mind it would be a calamity if the sacrifices made by everybody who pays the high rates on this Railway which have built up its branch lines and so on should go for nothing because of the unfair competition against the Railway by motor transport which is not a common carrier and which therefore is simply taking the cream off the traffic and making an unfair competition with the Railway. I should just like to add again what I said before, Sir, that after all £100,000, which is the amount which the Committee believe is being lost to the Railway by this competition at the present moment, is a very large sum of money. That is the profit which the Committee believe is being lost to the Railway by this competition at the moment. That amount in the past has been returned in rates, and in respect of the year 1929, for instance, and last year, I think, £90,000 was returned in rates. It is perfectly

evident that if this competition had been going on then as it is going on to-day those rates could not have been reduced at that time. In the same way, Sir, we had a deficit on the Railway during 1930 owing to the world position and prices of goods and raw materials and so on : that again would probably have been covered, that deficit, by this amount which is being lost to the Railway at the present time. The only excuse for that or for backing competition of that sort to my mind would be that you could prove that it was a better form of carriage right through. Now we all know, Sir, that the Railway on the average carries goods—the cost to the Railway of carrying goods is something under 10 cents. No motor competition on the roads at the present time in the Colony can possibly carry goods at a cost of less than 50 cents, so that on the average there appears to me no doubt whatever that the public as a whole cannot gain any advantage from a very much more expensive form of transport and the fact that that very much more expensive form of transport on the average is taking away the cream of the goods, the things that pay the highest on the Railway, taking away the carriage of those, must put up the rates on other articles, not only on the export of produce but on goods which are carried at the present time at a lower rate in the first two classes.

I was particularly glad to hear the hon. mover say that Government did not intend necessarily to make a perfect road from Mombasa to here because it must be understood, I think, that if you make a good road it is not only classes I and II which are going to be taken away from the Railway to the road but it means down the scale to class III, down the scale to class IV, and so on will be gradually taken away from the Railway. There is in practice, whatever we may say in theory, no method by which this country can meet its obligations with regard to the Railway because it is responsible for any losses on the Railway ; there is no method by which it could do so if that sort of competition really became as serious as it might do in that way between the Coast and Nairobi. I have always felt that we should have put in force the Protection of Roads Ordinance and stopped that traffic, but I will not say anything about that now.

I have already said that I have signed this Report because I believe it is the best method of dealing with this unfair competition with the Railway which can be adopted with any degree of unanimity at the present time. You have people here who say that if the Railway cut down expenses it could very well compete. I am perfectly willing to admit that Railways like other things in this country have perhaps been extravagant in the past but I do not think, Sir, that that is the best method of dealing with this particular thing.

I do not think the question of State transport should be left in the air with its enormous commitments for loan funds and so on without anything to pay for them; I do not think that is the best method of dealing with any extravagance on the Railway. I think that can be dealt with in another way, Sir.

Another thing which is very commonly said is that competition brings down rates. I do not believe it for a moment. I believe on the contrary that two sets of overhead charges are bound to put up the cost of carriage, but even supposing that is so there is a very much better method of putting down rates and that is for pressure by the two countries involved to be placed on the Railway to see that economies are practised so that rates can be gradually brought down as indeed they have been brought down very largely in the last few years. The country is paying something like £320,000 a year—I will repeat that, something like £320,000 a year—less in rates on the same quantity of goods that was carried three or four years ago. I do say that unless this Bill is amended, if necessary, to carry out what it is intended to carry out, which is to do away with this unfair competition, then I think we might very easily get into a very serious position with regard to our commitments as a Colony for this Railway of ours.

I beg, Sir, to support the mover's motion with regard to this Report.

**THE HON. CONWAY HARVEY:** Your Excellency, like my hon. friend, the General Manager, I intend to support this motion as it does, Sir, at least represent one step towards co-ordination of our various transportation services and tends to avoid wasteful and uneconomic competition which I believe to be in the best interests of the Colony as a whole.

Now, Sir, some of my remarks introducing a motion on the 27th November last year were interpreted by correspondents to the Press as an attack on the motor industry. Well, Sir, I fully realize the part that that industry has played in the development of this Colony financially, sup- there is no doubt, whatever, Sir, that this form of transport is destined to play an increasingly prominent part in transportation development in the near future.

Now, Sir, I must say I am very disappointed indeed with this Report in one or two respects. It does, Sir, quite definitely whittle down the original proposals which were made for dealing adequately with this menace. I refer more particularly, Sir, to the limitation in the number of roads

and the reduced licence fees. It seems to me, Sir, that we are just snipping a bit off a septic scab instead of completely eradicating it. I suggest, Sir, that section 6 (2) is inconsistent with the previous section, namely, 6 (1) (a), (b), (c) and (d). I know quite well, I am fully aware of the fact that I signed the penultimate Report which contained that clause, but at the same time, Sir, my signature to that must be taken as agreeing to the Report as a whole as since certain other points of which I approve are taken out of that Report I reserve the right to withdraw my signature and criticize certain other items.

Sir, I do quite totally disagree with the statement that appears in paragraph 9, page 3, of this Select Committee's Report. I cannot agree for one moment, Sir, that an ideal control board would be one composed of the hon. General Manager and the hon. Director of Public Works and a representative of the motor industry. Why, Sir, should commerce and agriculture be completely ignored? Surely, Sir, these three gentlemen who have been specifically mentioned might far better appear and state their case as partisans—I think their proper role is that of witnesses, and they should not be given executive authority as members of a control board. Such a body, in my opinion, Sir, should be composed of entirely impartial authorities.

Now, Sir, in a Press report of a recent meeting of the Associated Chambers of Commerce in Mombasa I noticed a statement to the effect that there is no precedent for the non-provision of an appeal from the decision of the control board that it is proposed to set up. Now, Sir, that statement is quite inaccurate and misleading. In South Africa, Your Excellency, there is no appeal from the decisions of the Road Transportation Board. No appeal whatever is provided in the legislation of Austria, Tasmania and Australia. Under the Motor Omnibus Traffic Act of 1928 New Zealand allows an appeal only from the local licensing authority to the Road Transportation Control Board, a Board similar to that which it is proposed to set up by this Bill; while in Great Britain, Your Excellency, under the Road Traffic Act of 1930 either party—either the applicant for a licence or the objector—has the right to appeal in a prescribed manner, within a prescribed time, but even that appeal, Your Excellency, lies to the Minister of Transport.

I notice that at the same session of the Associated Chambers a delegate representing Uganda made the somewhat novel suggestion that through traffic to Uganda should be free, that no licence should be collected. Well, Sir, with all respect I suggest that that gentleman and Uganda people

cannot expect such a suggestion to be seriously entertained by any grown-up person. The roads of Kenya, Sir, are financed entirely by the taxpayers of Kenya and why should they be cut to ribbons and devastated by these motor omnibuses carrying through traffic to Uganda?

Another point, Sir: Uganda surely enjoys with Kenya part ownership and a very real interest in the Kenya and Uganda Railway.

Although, Sir, in my humble opinion this present Bill does not go far enough, as I have already said, it does represent a start. I consider, Sir, that Government has listened far too long to the noisy clamour of a vocal minority during which time vested interests have become established and with the passage of time those vested interests have become more and more consolidated and their dispossession more difficult. I sincerely trust, Sir, that this motion and the Bill it foreshadows will be unanimously accepted by this House and carried into effect by Government with the least possible delay.

THE HON. F. A. BEMISTER: Your Excellency, my position to-day is due really to the system of elected representation. If we had in this Colony the strict party system I should have no hesitation whatsoever in sitting quiet and decidedly voting direct for the Bill, but we Elected Members are more the liaison in order to bring to Your Excellency's notice criticisms by even the minorities of the electorate we represent, and in order to get the real views of Mombasa I have gone to a great deal of trouble in so far as those people who supported me at the last election are concerned. Their view is this: that in freight matters Mombasa is not concerned, but in making up the deficit on the Railway they coming on to the taxpayers then this Bill is to save any deficit. But there are people in Mombasa—who have the idea that they interested people too, merchants—who have the idea that they have not had a fair chance in the consideration by the Committee of their views. In order to get their exact ideas I took it upon myself to interview the President and Vice-President of the Associated Chambers of Commerce, the Commerce and Vice-President of the Mombasa Chamber of local body. While I do not—and have told them so—agree with any of their criticisms of the actual Bill, there does seem to be, if their allegations are correct, a little justification for the complaint that they have been entirely ignored by both of these Committees and the previous Bill.

Their first objection, Sir, is on the first page of the Report of the Select Committee. It is there stated: "... and we also received representations in writing from the motor lorry drivers of Mombasa." I am informed that these written representations comprised a very long series of arguments, giving figures and data as to the effect which this Bill would have on these Mombasa traders. Now there is no mention in this Report of that memorandum or those representations, yet a great deal is made of a memorandum from Indian merchants in Nairobi which, to my mind and to most of us down there, does not really affect the position at all. If it is a fact, Sir, that a memorandum was produced it does seem reasonable to expect that some evidence of it would be reflected in this Report so that the Mombasa man could really see what took place inside the Committee and what data, if it was given, was bad; he could check it and examine it and could be of assistance to you. To-day I know nothing of this memorandum although I am told by members of the Chamber of Commerce that it was really an excellent document, but as I have not seen it I do not know; I believe it is being printed to-day in the local paper.

Then, Sir, in regard to the first Committee—I think it was held . . . I do not know the date—it is alleged that only twenty-four hours' notice was given to Mombasa to prepare their recommendations or objections to the original Bill. Now, Sir, twenty-four hours is not quite enough because there are certain sleeping hours and working hours to be taken out of that. I do suggest, Sir, that if it were possible and you really wished the view of Mombasa merchants it would be quite easy for you to give a week's notice. I believe that is about the time you would give for a member to attend your Committee. You should give a week's notice to say that the Committee was intending to visit Mombasa and that the responsible authorities down there should prepare their data and meet the Committee at such and such a time so that these questions could be gone into. I think that that objection of the Mombasa merchants is a fairly strong one, and I think if it could be possible for future arrangements to be made on different lines it would be to the advantage of everyone.

Further to that, Sir, there was a gentleman at this meeting who was the President of the Associated Chambers of Commerce and he definitely stated that he only had half an hour's notice to attend the Nairobi Committee meeting.

All these things tend to show that the people who claimed—I do not say they are—but who claimed to be interested in this controversy have not been given a chance to give their views and to back their ideas, and I do suggest, Sir, that if

those allegations are true I shall be justified in voting against the acceptance of this Report until it is further and properly considered by the merchants of the country. As I have told you, I am entirely in favour of the Bill, my friends are all in favour of the Bill, but I do think, Sir, that there should be some consideration for those people who are interested in the working of this traffic.

THE HON. T. J. O'SHEA: Your Excellency, the supporters of this Bill who have already spoken, including the hon. mover, have found it necessary to be so apologetic for it that I am beginning to feel ashamed of my connexion with it (laughter), so perhaps it would be just as well if I definitely committed myself to supporting it without reservation before I listen to any more apologetic speeches in its favour. To me, Sir, there is nothing in the Bill that needs apology. In the seven or eight years I have been in this Council I know of no Bill for which a greater provision has been made for public criticism than in connexion with this one, and as a member of the various Committees appointed over a term of years that have dealt with this problem I should like to emphasize that, more especially in view of the speech that has just been made by the hon. Member for Mombasa. It is true that we have not gone so far as the hon. Member himself seems to have gone in making a house to house call in Mombasa to ascertain the views of individuals down there, but I can definitely assert that the Committee did go out of its way to ascertain what was the view of Mombasa in its various sections. I can remember having given up an extra day to the work of the Committee because some of the representatives of all-important Mombasa failed to turn up to keep their appointments.

I think it must be recognized that in connexion with this matter the Committee entrusted by Government to go into it had to deal with two bodies of extremists, and it is some criterion of the weakness of the case put up by either body that they absolutely refused to consider the arguments of their opponents. On the one hand we had those who contended that £15,000,000 into State Railways and because the State was definitely committed to a certain rating policy in connexion with those Railways that there should be no competition whatever allowed with that form of transportation, and they argued even after the eleventh hour in favour of a Bill for complete prohibition against competition with the State Railways. On the other hand, you had those who could not see anything but their own personal interests who thought it was a perfectly legitimate thing that the State should allow private enterprise to destroy a £15,000,000 State asset and destroy the economic structure of the country at a time like the present. It was with

those two bodies of extremists the framers of this Bill had to contend. I make no apology for the result of their labours. The Bill they have produced is one which in my opinion can be justified on principle and I hope, if approved, it will justify itself in practice. On the one hand it definitely asserts that even a valuable State asset will not be above competition from private enterprise, that it is in the interests of the State and in the best interests of that asset that there should be a measure of competition but that that competition should be on something like reasonable terms. On the other hand it refuses to believe that private enterprise may for its own selfish benefit and not for the benefit of the community make use of State roads in competition with the Railway on terms that give them every advantage and leave the State transport system completely at a disadvantage. Without the provision of this legislation motor transport will be given preferential treatment; under this Bill it will not have the same degree of preferential treatment but it will still be free to prove that it is an economic form of transportation for the country in its present circumstances.

I think, Sir, it is necessary to point out that the Railway Authorities themselves who support our point of view will be failing in their duty if they refuse to recognize that from certain points of view Railway transportation is already becoming obsolete. They are likely to fall into grave dangers in the near future if they refuse to recognize that the more modern form of transportation is already taking away from the Railway much of the trade on which they previously depended and that with the passage of time—and not a very long passage of time—motor transport is destined to replace Railways in this Colony to a very considerable extent. That being so, I think it would have been a grave evil indeed if a Bill had been passed in this House protecting the Railway entirely against competition from the more modern form of transport.

Also, Sir, I should like to express my personal view which differs somewhat from that of the Noble Lord that this competition should have the effect of making the Railway more careful to keep its costs within reasonable limits. There can be no question whatever if one has studied the figures of the Railway for the last five or six years that during the period of comparative prosperity we enjoyed for something like six years up to two years ago the Railway did tend to become extravagant and was in fact extravagant and we are in fact to-day paying for that extravagance and it would not have felt the competition from motor transport so keenly as it has if it had not been so extravagant.

I have pleasure in supporting the adoption of this Report. I believe that when all the circumstances of the case are taken into consideration it cannot but be regarded as a satisfactory

solution of a very difficult problem, but I do share the view of the hon. member that it cannot be regarded otherwise than as experimental. From the practical point of view the principle it embodies is, I believe, thoroughly sound—that there must not be prohibition but that there must be fair competition. On the other hand, the manner in which we have endeavoured to apply that principle may not be the most suitable for our requirements, in which case it can very easily be amended as the Bill is a comparatively simple one.

**THE HON. THE ATTORNEY GENERAL:** Your Excellency, I have listened in the earlier stages with a certain degree of trepidation which happily was dispelled in the later stages—or the penultimate stage, if I may borrow a word from my hon. friend, the Member for the Lake—when I heard with a very great degree of amazement the arguments that have been advanced. In so far as the two first and the last speakers are concerned, the fact that they so wholeheartedly support the motion now before the Council in itself means that there is no necessity whatever for me to deal with any of the points which they have made, but with the attitude of the hon. Member for Mombasa I feel I must deal. I shall endeavour to do so as shortly as I can but some of his arguments, if I understood them correctly, I think will call for very definite traversing and very detailed traversing. I had hoped that this measure, one so important as this, was going to meet with universal acceptance; I now find that in that hope I am not entirely justified.

The hon. Member for Mombasa does not object to the adoption of this Report but he considers it a profoundly bad and unfair Report because the interests chiefly concerned have not had an opportunity of being heard. Now, Sir, arguments like that if they are not disingenuous, and I am inclined to think in this case they are, can be nothing but mischievous. They must call for definite traversing and that is my excuse, Sir, for taking up a little more of the time of this Council.

The hon. Member told us, Sir, that the merchants had not had a fair chance, that only twenty-four hours' notice had been given to them of the intention of the Committee to sit, and that one merchant, who happily remains nameless, had only half an hour's notice, and in the conditions which obtain in Mombasa where apparently the hours of sleep loom very large in the twenty-four hours of the day it was quite impossible for them to comply with the wish of the Committee and with their own wish and attend to give evidence. For that statement, Sir, there is not the slightest justification in fact. It is true that when the former Committee sat the decision to take evidence in Mombasa had perforce to be hurriedly taken

and it is a fact that in so far as the deliberations of that Committee—a Committee with which this Council has no direct interest whatsoever, Sir, it was not a Committee of Legislative Council—in so far as their deliberations are concerned, the time given to merchants and others interested in Mombasa was perforce short but not so short as the hon. Member has suggested because that Committee did take oral evidence in Mombasa and did invite various interests in Mombasa subsequently to submit written memoranda; with that request they complied and that hon. Members will find stated in the second paragraph of that Report, the Report of the 30th May, 1931, where the statement is definitely made we "received and considered memoranda from a number of public bodies and individuals in the Colony." But, Sir, we are dealing here with the report of a Select Committee of this Council and the suggestion has definitely and deliberately been made that that time limit of twenty-four hours, that that time limit of half an hour, applied to this Committee. I have the facts here and I am only too happy to place the documents before my hon. friend. A notice was sent to the Press, including the Press of Mombasa, intimating that the Committee would begin its sittings on the 1st July. That notice appeared in the Press on the 22nd June, giving a clear nine days. In addition to that, letters were sent to those bodies which in my opinion, as the writer of those letters, most directly and essentially represented the various interests concerned—those letters bore the same date. It is true, as my hon. friend the Member for Plateau South has said, that the Committee actually adjourned for three days in order that certain interested parties who chose to avail themselves of the alternative means of transportation might ultimately reach Nairobi—a feat which I believe they achieved with the aid of my friend the General Manager (laughter). The Committee sat until the 6th July in order to take their evidence. If it is suggested, Sir, that from the 22nd June to the 6th July is insufficient and inadequate notice, then I stand corrected, Sir. There is not a scintilla of evidence to support the suggestion so definitely made that adequate notice was not given.

Now, Sir, I come to the next point. Paragraph 1 of the Report states that "the evidence of eight witnesses (including among others) the Motor Transport Association of Mombasa appeared before the Committee and gave evidence, and we also received representations in writing from the motor lorry drivers of Mombasa." Now, Sir, I hear with dismay the statement now made, the series of statements, which I have noted thus: "On page 1 of the Report there is a reference to the Report of the motor lorry drivers. I know nothing of this memorandum. I have not seen it myself but I understand that it consisted of a very long series of arguments, facts and figures."

That, Sir, I understood was what my hon. friend has just said. Well, Sir, the best proof of the pudding is the eating of it and I propose to read that memorandum from the motor drivers. It will not take long, Sir, because there are no facts and no figures. (Laughter). It runs thus, Sir: it is addressed in the customary way to myself and the hon. Members of the Select Committee on the Bill:—

Respected Sirs,

We the undersigned Indian Motor Drivers who are employed in driving Motor Lorries from Mombasa to up-country Stations beg leave to state as follows:—

The total number of us drivers employed in the service of the Lorry Owners is about 130."

(I withdraw my previous statement, Sir—there is one figure.)

Practically all of us have wives and children to maintain besides other dependents. We understand that the Government desire to discourage the Motor Lorry traffic from Mombasa. We beg to state for your favourable and sympathetic consideration that the driving of motor lorries is the only thing we have learnt to do in the hope of being able to earn our livelihood, and if this only source of service is taken away by the Government, all the 130 of us and our dependents who number approximately six hundred souls in the aggregate will be faced with starvation and total destitution. We therefore beg of you, honourable Members of the Select Committee, to recommend to the Government that motor transport of trade goods from Mombasa may not be suppressed by the proposed imposition of heavy and prohibitive licensing fees on lorries."

And there follow ninety-eight signatures.

I can only imagine, Sir, that my hon. friend was extremely badly instructed.

THE HON. P. A. BEMISTER: Hear, hear.

THE HON. THE ATTORNEY GENERAL: I do not think even he, in his highest flights of imagery, would seriously contend that the addition of such a document as that to the Report of a Select Committee of this Council would add either to the dignity of its proceedings or to the edification of its Members. That is the document, Sir, which bristles with facts and figures.

Then we come, Sir, to the memorandum from the Indian transport owners. That, Sir, was undoubtedly submitted to the penultimate Committee, the Committee which reported on the 30th May; equally undoubtedly it was not submitted to the

Select Committee of this Council. The representatives of that particular interest appeared personally and belatedly before the Committee and gave their evidence, and their evidence is, I think—and in that I appear to be supported by my colleagues on that Committee—adequately set out in paragraphs 2 to 8 of the Report. The evidence of that particular interest was taken orally, was taken at considerable length; there was no question of burking full discussion—in fact the Committee were thanked by the delegation which appeared from Mombasa for the patient and thorough hearing which they had accorded to them. There was no memorandum—their evidence was given in a far better way by means of oral question and answer.

I am afraid I have trespassed rather heavily on the time of Council but I did feel this attack rather strongly, Sir. Those are the facts. I can only add that each of those statements I can support by documents here which I am only too anxious that the hon. Member for Mombasa should see. They are here and they are available for him at any time.

In conclusion, Sir, I can only share the hon. Member's regret that the party system does not obtain and that he was not able to remain quiet. (Laughter).

HIS EXCELLENCY: The question is:—

"That the Report of the Select Committee on the Carriage of Goods by Motor (Control) Bill be adopted."

The question was put and carried.

*The Council adjourned for the usual interval.*

*On resuming:*

REPORT OF SELECT COMMITTEE ON THE CO-OPERATIVE SOCIETIES (REGISTRATION) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move:—

"That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted."

Although this Report, Sir, runs to five long pages I do not think it will take me more than about the same number of minutes to explain its provisions. Again, I am happy to say it is a unanimous Report, Sir, and it imports no new matter, practically speaking, into the legislation whatsoever. There is no new principle although there are a certain number of new additional provisions made.

The first point to which I would draw attention is in the first recommendation which was intended to clarify the definition of "Co-operative Society." I mention it, Sir, for



this reason, that yesterday afternoon I had the advantage of meeting Elected Members of Council on the subject of this Bill and it was then suggested to me that though the amended definition did sufficiently clarify the position it did not in their opinion go quite far enough in the protection of ordinary trade interests in the Colony, and the suggestion which I have to put, with the indulgence and leave of the Council, Sir, is that that recommendation should be further amended by the addition in that same clause of a further definition of " Farm Supplies " in the following words :—

" Farm Supplies " means goods essential to the production or marketing of farm produce, including live stock and live stock products."

That I think, Sir, will sufficiently clarify the position and safeguard the interests of those who are at present and may hereafter be engaged in trade in the Colony.

The second recommendation, Sir, calls for no comment except a most passing one. The position of limited liability companies under the draft Bill was apparently not sufficiently clear. Several representations were made that it was desired to make their position perfectly clear, and that is the purport and object of the second recommendation.

The third recommendation merely provides in the interests of the simplified working of the Ordinance that two copies of the regulations should be submitted to the Registrar. When he approves them he signs one and that signed copy is for all purposes conclusive evidence that the society is duly registered.

The fourth recommendation makes provision for an appeal from a refusal to register a society to the Governor in Council.

The fifth recommendation gives effect to what the Noble Lord, the Member for the Rift Valley, suggested on the second reading of this Bill (that the word " Co-operative " should form part of the name of every registered society).

The seventh recommendation brings in a number of new clauses on the rights and liabilities of members of societies, man one vote; that a society should not get into the hands of interest *pro rata* to their shareholding in the society, but the true principle of co-operation should be one man one vote. As an essential corollary to that there is a saving provision for registered societies which are limited liability companies and for which of course will continue to be governed by the provisions of their Articles of Association.

The eight, ninth and tenth recommendations are entirely formal, Sir.

The eleventh recommendation deals with audit and provides that a copy of the audited accounts shall be available in the English language for the inspection of the public at the office of the Registrar on payment of the ordinary search fee.

Most of the immediately succeeding recommendations are purely formal, Sir. We come next to recommendation sixteen which deals with the two clauses of the Bill making provision for the liability of past members and the estates of deceased members of a society. The change imported there, Sir, is that although the period of liability still remains at two years that period ceases if the accounts of the society at any time during that two years disclose a credit balance in favour of the society.

Recommendation No. 22 provides some necessary, practically entirely consequential, amendments to the rule-making section, and most of the others are entirely clerical, formal or saving.

When we come to the amendment of the schedule, Sir, hon. Members will recollect that the schedule consisted of a set of model regulations which might or might not be adopted, which are there merely for guidance. There is only one to which I would call specific attention, and that is recommendation No. 27 in the Report which makes the position clear that a co-operative society may be established and registered whether the liability of their members is unlimited or limited. The draft regulations originally published provided only for societies with unlimited liability. I repeat, Sir, that they were only for guidance, as a model to be followed, but inasmuch as the idea seems to obtain in certain parts of the Colony that these regulations because they provided only for unlimited liability companies made it impossible to form a company with limited liability, we now add an alternative regulation providing for the formation of a company with limited liability.

The other amendments to the schedule, Sir, call I think for no comment at all, and I shall formally move that the Report be adopted.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is :—

" That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted;" with an amendment to the first recommendation that the following definition be inserted :—

" ' Farm Supplies ' means goods essential to the production or marketing of farm produce, including live stock and live stock products."

COL. THE HON. W. K. TRICKER: Your Excellency, I should like to touch, in a sentence, on what I regard as an important aspect of this matter. Admittedly this will give an impetus to the organization of what may be termed the European agricultural industry in this country but as a Member of this Select Committee I have been tremendously impressed by the facilities that this Bill might, may—and should afford to the better organization of the marketing of native production. In the past it has left very much to be desired. Many minds have been exercised as to how best it could be improved. I am sure that numerous representations have been made to Government from time to time but I do suggest, Sir, that Government have an opportunity they have not had in the past, one that they should grasp. That situation should be examined very quickly after this Bill becomes enacted in order not only that native production may be more encouraged in the future than in the past but also that in that way perhaps more quickly than in any other we can add to the amount of traffic now passing on the Railway. That point has been stressed in the General Manager's last report and I am sure everyone who studies the question of increasing the traffic on the Railway to-day must realize that as quickly if not more quickly than an increase of European production is possible an increase in native production if only better facilities are offered to the natives than they enjoy to-day by way of marketing is desirable.

THE HON. W. C. MITCHELL: Your Excellency, if I might add just one or two words I should like to say that as a Member of this Select Committee I naturally support the motion that the Report be adopted, but I should like to elaborate the point in regard to clause 22 (c) of the Report in which it states: "prescribing the form of the audit of the accounts of a registered society and the books to be kept by a registered society." I think, Sir, it is highly important that in fixing the form in which the accounts of a co-operative society should be presented the accounts of the agricultural produce side of the trading and shipping of agricultural produce, should be kept entirely separate from what one might call general trading. I think the experience of the past has been that co-operative societies, as long as they confine their activities very largely to the handling of members' produce and the shipping and sale of that, are a success, and the object of this Bill, of course, is to enable co-operative societies to be a success, but when they go outside that and endeavour to indulge in all sorts of promiscuous and miscellaneous trading there is very often grave danger of a serious loss being incurred, and unless the accounts of those two sides of their activities are kept separate it is easy for any Board of Directors to conceal losses being

made on one side by embodying them in the accounts of the other. I think that is an important point that should be stressed.

THE HON. THE ATTORNEY GENERAL: Your Excellency, in two sentences, Sir, I think I can reply.

The point made by the hon. Member for Nairobi North, Sir, is one which, as he knows, was very present in the minds of all of us in Select Committee. There is nothing racial in the legislation—it can be taken advantage of by persons of any race. The definition of the word "Registrar" in the third clause of the Bill definitely envisages the rise of native co-operative societies and makes provision accordingly. Equally, Sir, had it not been that we had that in mind there would have been no need to embody the provision to which I have just made reference relating to the audit of a society's accounts adding the words "in English." That, of course, definitely suggests that the parent accounts will be kept in languages other than English. I can certainly on behalf of Government give the hon. Member the assurance that he asked for that possibilities of the extension of native agriculture not only through the medium of societies which can be registered under this Ordinance but through any other medium which we can explore will be searched as carefully as possible and every opportunity will be taken to take advantage of that extension.

The point made by the hon. Member for Nairobi South, Sir, I can deal with equally easily, in fact even more shortly. It is because of the great importance of what he has just said that that new rule-making power was inserted. The Committee felt, and I am sure hon. Members will agree, that it was very much better that as we know little or nothing of the form which co-operative societies will adopt in this Colony that this power should be left to the rule-making section rather than embodied expressly in the legislation itself. When the rules are drafted I hope I may take advantage of my hon. friend's experience and submit them to him for his consideration and approval before I submit them to Your Excellency.

HIS EXCELLENCY: The question is—

"That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted."

with an amendment to the first recommendation that the following definition be inserted:—

"'Farm Supplies' means goods essential to the production or marketing of farm produce, including live stock and live stock products."

The question as amended was put and carried.

## BILLS.

## FIRST READING.

## THE ARMS TRAFFIC BILL.

On motion of the hon. the Attorney General the Arms Traffic Bill was read a first time.

Notice was given to move the second reading at a later stage of the Session.

## SECOND READINGS.

## THE BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Amend the Births and Deaths Registration Ordinance, 1928, be read a second time.

The provisions of this Bill, Sir, may at first sight appear a little abstruse. It is legislation by reference, which sometimes unfortunately cannot be avoided. There are certain routine duties under the Ordinance—the duty, for instance, of signing a certified extract from the Register of Births or Marriages—which at present devolve on the Registrar General. The office of the Registrar of Births, Deaths and Marriages is down in the town; the office of the Registrar General is on the Hill—and so we have the irksome and quite unnecessary statutory provision that having gone to the office in town to get your certified copy of an extract you have to proceed up the Hill in order to get it signed. The object of this legislation is to do away with that necessity and to delegate those powers, which of course will still be held by the Registrar General equally with the Registrar, to delegate those powers to the Registrar who in fact prepares the certified extract.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

## THE LEGITIMACY (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Amend the Legitimacy Ordinance, 1930, be read a second time.

It was in April last year, Sir, that the Legitimacy Ordinance became law and when that Bill was drafted a very important change was made in the law on that subject which was that the Bill submitted to this Council omitted the clause which is unfortunately in all similar legislation throughout the Empire debarring from the benefit of legitimation under the Ordinance the offspring of adulterous intercourse. The Bill,

was passed, Sir, and shortly after that the Secretary of State drew our attention to the dangers of standing alone in a matter such as that and at his suggestion an amending Bill was introduced in this Council in November last year. On that occasion the hon. Member for Nairobi South voiced the unanimous opposition of Elected Members to the inclusion in our legislation of that clause. In view of the unanimity of that opposition the Bill was withdrawn and further representations were made to the Rt. Hon. the Secretary of State for the Colonies. With the demise of the recent Legislative Council that Bill naturally died also. Now, Sir, I am happy to say that the Secretary of State has agreed to the deletion or continued omission from our legislation of that clause, thereby giving effect to the express, unanimous and strongly urged views of Elected Members of this Council, but at the same time the Secretary of State has pointed out a difficulty which I myself pointed out in moving the second reading of the amending Bill in November last year when I stated:—

“Inasmuch as domicile is not an essential prerequisite under our Ordinance, it would be competent to the parents of such a child to come out to this Colony and there legitimate that child with all the consequences of legitimation following on that act, whereas it would not be possible for them to do so in any other part of the Empire, either in England or in any colony or dominion which has adopted the provisions of the English Act.”

That is the legal position, as I see it, Sir. The effect of the omission of the obnoxious clause from our legislation and the retention of the test of residence as the only prerequisite to the registration of an illegitimate child would be this, Sir, that Kenya might achieve almost equal notoriety with Reno in another branch of activity, with the similar consequences that just as a Reno divorce is looked askance upon in many other parts of the world, a Kenya legitimation would be of no force or effect outside the boundaries of the Colony. That is a position which of course none of us wishes to be a willing party to and so, Sir, this Bill, while continuing the omission of the clause to which such exception was taken, does substitute the test of domicile for the test of residence, thereby bringing the law to all intents and purposes into exact accord with the law as it now obtains in Scotland.

The other amendments, Sir, are purely formal and were an integral part of the Bill the second reading of which was moved in November last year; as on that occasion no exception was taken to any of them I therefore do not propose to waste any more time on them now.

I beg to move the second reading.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Bill be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I should like to congratulate Government in having been so wise as to follow the procedure followed in Scotland rather than that followed in England.

HIS EXCELLENCY (to the hon. the Attorney General): Do you wish to reply?

THE HON. THE ATTORNEY GENERAL: From me, Sir, it calls for no reply (laughter).

HIS EXCELLENCY: The question is that the Bill be read a second time.

The question was put and carried.

THE ARBITRATION (FOREIGN AWARDS) (AMENDMENT) BILL.  
THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Amend the Arbitration (Foreign Awards) Ordinance, 1930, be read a second time.

This Ordinance was passed only a comparatively few months ago, Sir, in accordance with the policy of as rapid co-ordination of commercial legislation throughout the East African Territories as we could possibly achieve. When it was drafted, Sir, I substituted the machinery of the Governor by Proclamation for the English procedure of His Majesty by Order in Council. I did that, Sir, because I imagined that it was a clearer, more rapid and equally efficacious means of communicating to the public those countries with which Treaties on this subject had been made. It has now been represented to Government, Sir, that although the effect would be the same there is a slight legal difficulty inasmuch as the declaration of His Majesty in Council is the only legal test of reciprocity on which the jurisdiction of the Court of any Colony could be founded in this matter and that therefore it would still not satisfy a Court of its jurisdiction; it would be necessary to produce the Order of His Majesty in Council, and so, Sir, we have this short amending Bill substituting the machinery of His Majesty by Order in Council for the machinery of Your Excellency by Proclamation.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

#### THE CIVIL PROCEDURE (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Amend the Civil Procedure Ordinance, 1924, be read a second time.

When clause 48 of that Ordinance, Sir, was enacted and the Ordinance was printed the not entirely unimportant word "not" was omitted. It is a section which deals with the title which a purchaser gets when he purchases by order of the Court and I am sure that no hon. Member will differ from me when I say it is just as well that the position should be put beyond doubt.

I beg to move that the Bill be read a second time.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that Council resolve itself into a Committee of the whole Council to consider clause by clause the following Bills:—

The Births and Deaths Registration (Amendment) Bill.

The Legitimacy (Amendment) Bill.

The Arbitration (Foreign Awards) (Amendment) Bill.

The Civil Procedure (Amendment) Bill.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Council went into Committee.

#### In Committee.

THE BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE LEGITIMACY (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE ARBITRATION (FOREIGN AWARDS) (AMENDMENT) BILL.  
The Bill was considered clause by clause.

## THE CIVIL PROCEDURE (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that—

The Births and Deaths Registration (Amendment) Bill,

The Legitimacy (Amendment) Bill,

The Arbitration (Foreign Awards) (Amendment) Bill,

The Civil Procedure (Amendment) Bill,

be reported to Council without amendment.

The question was put and carried.

The Council resumed its sitting.

HIS EXCELLENCY: I have to report that:—

The Births and Deaths Registration (Amendment) Bill;

The Legitimacy (Amendment) Bill;

The Arbitration (Foreign Awards) (Amendment) Bill;

The Civil Procedure (Amendment) Bill;

have been considered clause by clause in Committee of the whole Council and have been reported to Council without amendment.

## THIRD READINGS.

THE RT. HON. LORD DELAMERE: On a point of order, Your Excellency, what is the intention of Government with regard to the Carriage of Goods by Motor (Control) Bill?

HIS EXCELLENCY: I was just going to . . .

THE HON. THE ATTORNEY GENERAL: I was going to adopt the novel course of moving the six third readings together at this stage.

THE CARRIAGE OF GOODS BY MOTOR (CONTROL) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Carriage of Goods by Motor (Control) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE CO-OPERATIVE SOCIETIES (REGISTRATION) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Co-operative Societies (Registration) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Births and Deaths Registration (Amendment) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE LEGITIMACY (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Legitimacy (Amendment) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE ARBITRATION (FOREIGN AWARDS) (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Arbitration (Foreign Awards) (Amendment) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE CIVIL PROCEDURE (AMENDMENT) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Civil Procedure (Amendment) Bill be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

## APPOINTMENT OF SELECT COMMITTEE.

His Excellency: The Select Committee on the Town Planning and Development Bill will consist of the following:

The Hon. the Acting Commissioner for Local Government, Lands and Settlement (*Chairman*):

The Hon. the Attorney General.

The Hon. the Director of Medical and Sanitary Services.

The Surveyor General.

The Provincial Commissioner, Nzoia Province.

The Hon. the Elected Member for Nairobi North.

The Hon. the Elected Member for Nairobi South.

The Hon. the Elected Member for Mombasa.

The Hon. the Elected Member for Plateau South.

I now adjourn Council until 10 a.m. on the 26th August, 1931, when the Acting Colonial Secretary will introduce the Budget.

*The Council adjourned till 10 a.m. on Wednesday, the 26th August, 1931.*

WEDNESDAY, 26th AUGUST, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Wednesday, the 26th August, 1931, His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

## MINUTES.

The minutes of the meeting of the 19th August, 1931, were confirmed.

## PAPER LAID ON THE TABLE.

The following paper was laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN):

Report of Inquiry into Indian Elections to Legislative Council.

## ORAL ANSWERS TO QUESTIONS.

## MENENGAI ROAD.

THE RT. HON. LORD DELAMERE asked:

1. Has a road been constructed up Mt. Menengai (at Nakuru)?

2. The length of the road?

3. Who aligned the road?

4. Who authorized the construction of the road?

5. The number of boy days prison labour engaged on the road?

6. The charge which would have been made to any member of the public for that amount of prison labour?

7. During the construction of the road were there any requests made by the public for prison labour which were not fulfilled?

8. The dates of the commencement and completion of the road?

9. Were any culverts or materials used on the road and what vote were they charged to?"

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN):

1. A road has been constructed commencing at the Resident Magistrate's house thence semicircularly along the south-easterly slopes of Menengai and entering the Narine Road at a point adjacent to the Stock Inspector's house. The road is within the Nakuru Municipality.

2. 4 miles, 523 yards.

3. District Surveyor, Nakuru.

4. District Commissioner, Nakuru, after consulting the Finance Committee and other members of the Municipal Board.

5. 1,265 boy days prison labour.

6. Sh. 753/60.

7. Prison labour was not supplied to any private person during the period the road was under construction. One person only applied during the period, who was advised that his name would be placed on the roster and prisoners sent to him in turn. A number of other persons were on the roster prior to the commencement of construction and their requirements likewise were not fulfilled during this period. The approximate demand was for seventy prisoners days' labour.

8. (i) 13th March, 1931, to 6th April, 1931; (ii) 22nd April, 1931; (iii) 1st May, 1931 to 2nd May, 1931 (iv) 5th May, 1931, to 7th May, 1931; (v) 23rd May, 1931.

9. No culverts or other materials were used on the road.

#### NEW APPOINTMENTS AND NEW BUILDINGS.

The Rt. Hon. Lord DELAMERE asked:

"Will Government give an assurance—

(1) that no posts will be filled and no new appointments made;

(2) that no new buildings will be started;

until the 1932 Budget is passed?"

The Hon. THE ACTING COLONIAL SECRETARY: Government is not prepared to give a completely unqualified assurance but it can assure the Noble Lord that no new posts will be filled or appointments made and no new buildings will be started unless justified by the particular circumstances of the case.

The Rt. Hon. Lord DELAMERE: Arising out of that answer, Sir, does the hon. gentleman think that is quite an answer to the question that I put at a time like this? I should have thought we were all agreed that the circumstances of the case would not justify it.

The Hon. T. J. O'SHEA: Am I correct in interpreting that answer as a refusal on the part of Government to give the assurance asked for?

The Hon. THE ACTING COLONIAL SECRETARY: Not entirely, Sir.

#### MOTION.

##### ESTIMATES, 1932.

The Hon. THE ACTING COLONIAL SECRETARY: Your Excellency, last year in introducing the Budget I made what I believe was considered an inordinately long speech. This year I am going to make a very short one. There are certain issues, of course, which are obvious—they are largely issues, I think, which probably are better dealt with in Select Committee than in formal debate and I am now, in moving the motion standing in my name:—

"That the draft Estimates of Revenue and Expenditure for the year 1932 be referred to a Select Committee."

going to ask Council to consider that resolution literally, that is to say, that what has been explained in the Budget Memorandum should be discussed in the Select Committee which I hope Members will agree we should form as soon as possible. There is just one thing before I read my formal speech—and I take as usual the leave of the House to read it because figures are involved—I should like to give the assurance to Members opposite, the embattled hosts of a semi-opposition, that the usual procedure of a Select Committee largely consisting of Unofficial Members will be asked to form the Committee which will discuss the details of this Budget.

Now, Sir, the main principle on which these Estimates have been framed has been to obtain as near an estimate as possible of the revenue which it is anticipated will accrue in 1932 on the assumption that there will be no material improvement in world economic conditions and to bring expenditure down to a figure which is comparable with that Revenue Estimate.

I do not propose to deal with the Estimates in detail—hon. Members will have already studied the Memorandum on the draft Estimates and any further questions of detail can be better dealt with in Select Committee, but I think I should make some general observations.

Taking the estimated revenue for 1932, the gross figures show an apparent increase, both over the revised estimate of revenue for 1931 and over the actual receipts for 1930, but on the other hand, both revenue and expenditure are inflated

by the Heads "Reimbursements" and "Colonial Development Fund," and if the amounts shown under these Heads in 1930, 1931 and 1932 are deducted it will be found that the 1932 Estimates show a decrease of £67,000 on the revenue actually collected in 1930. On the question of Customs revenue, hon. Members will be able to hear the Commissioner of Customs either during this debate or in Select Committee. I may mention, however, that after allowing for the inclusion in Customs revenue of the former Wines and Spirits Consumption Tax and for the revised tariff rates, and using, as a basis of comparison the tariff rates in force in 1930, the revised estimate of Customs revenue for 1931 is £36,000 less than the actual receipts in 1930, and the estimate for 1932 only exceeds the actual receipts in 1930 by £3,500.

The estimated revenue from Posts and Telegraphs shows an increase of £9,000 over the actual receipts in 1930 and an increase of £3,932 over the revised estimate for 1931. It is estimated that the recent increase in postal rates will result in increased revenue to the extent of £10,000 in a full year. At the same time, air mail revenue, which is reimbursed to the carriers, is estimated at £2,500 for 1931 and £3,350 for 1932. Therefore, reverting again to the 1930 basis of comparison the 1932 estimate shows a decrease of £4,000 on actual receipts for 1930 and an increase of £3,000 over the revised estimate for 1931.

Under Head VI—Revenue from Government Property and Royalties—there is an increase of £4,445 over the 1931 revised estimate which is mainly due to an increase in the estimated receipts from land rents which have been calculated on rents due on the present rent-roll plus £1,300 for rents due on new sales.

Apart from these items, the Revenue Estimates generally are based on what we may reasonably expect actually to collect in the circumstances, having regard to actual receipts in 1930 and during the first four months of 1931. The final result is that the net revenue anticipated for 1932 is approximately £60,000 more than the revised estimate for 1931.

Turning now to the expenditure side of the Budget, the gross figures show a reduction of approximately £182,000 on actual expenditure in 1930 and of about £80,000 on the revised estimate for 1931; but again, taking into account as in the case of the Revenue Heads "Reimbursements" and "Colonial Development Fund," the 1932 draft Estimates show a decrease of nearly £337,000 on actual expenditure in 1930. As explained in paragraphs 24 and 25 of the Memorandum, the net reduction which has been effected on the 1931 sanctioned Estimates is £310,000.

The economic collapse which started in 1930 has shown that the Colony must definitely abandon the programme of expansion in services which was evolved in recent and happier years. Taking the larger Departments, those which show the least reduction are those responsible for revenue collection, such as the Post Office and Telegraphs and the Customs Departments. A list of the economies on the 1931 Expenditure Estimates will be found on page 4 of the Memorandum and a comparison of those figures with the reductions shown on page 23 of the draft Estimates will, I think, show that Government has in fact adopted what may be termed a progressive policy of economy.

Take, for instance, the Agricultural Department: the expenditure for 1931 has already been reduced by £16,767, and this reduction is increased in 1932 to £25,984.

Similarly, in the Medical Department, where 1931 expenditure has already been reduced by £16,787, in 1932 the decrease is £30,640.

The smaller Departments, generally speaking, are not so capable of reduction as one arrives much more quickly at a point where further reduction must mean total extinction. Nevertheless, there is no Head of Departmental expenditure which shows any increase, and the decreases in net expenditure range from approximately 2 per cent in the Registrar General's Department to 26 per cent in the Public Works Department.

The necessity for deferring further expansion in services means that where certain posts have been created and filled with a view to carrying out that programme reductions in staff must be made. Government has been anxious to avoid retrenchments wherever possible and in some cases the holders of posts which have been abolished have been absorbed elsewhere; also, wherever possible, vacancies caused by retirements for other reasons have been left unfilled. The number of actual retrenchments is therefore considerably less than the number of posts abolished or suspended, the proportion being approximately 50 per cent. Retrenchments already made, together with those contemplated in order to give effect to 1932 proposals, involve dispensing with the services of less than one hundred European and Asian officers. The effect on the pensions list has been carefully watched, and actual figures will be available for the Select Committee.

Under the Head Administration it will be seen that there is an increase of £1,001 under the sub-Head General Staff. The importance of maintaining the establishment of District Officers has already been stressed in the Memorandum—and hon. Members will remember the debate last



year in which the necessity of keeping up the establishment of District Officers was, I think, agreed to generally—and I will only say here that the economic development of the Native Reserves must have a large and increasing effect on the economic prosperity of the country as a whole. This development of the Native Reserves must depend to a great extent on the tact and influence of Administrative Officers and this influence can only be achieved by personal contact. Any reduction in the establishment of Administrative Officers can only mean that District Officers will be tied down to the ever-increasing volume of routine work and thus tend to lose rather than gain in that personal contact with the natives of their Reserves.

In the Agricultural Department the decrease in expenditure is due partly to curtailment of services and partly to decrease in the production of sera and vaccines and in the cost of maintenance of animal husbandry centres, and further, of course, to general economies. Research services, in which continuity is so essential, have not been curtailed but economies have been made wherever possible.

In the Education Department the reduction may not seem large in comparison with that effected by some other Departments but it should be remembered that the normal requirements under this Head for 1932 would have necessitated an increase of over £5,000 on the sanctioned Estimates for 1931 whereas these draft Estimates show a decrease of nearly £19,000. Services are curtailed to the extent of raising the minimum school age in European schools to six years; by reducing Indian grants-in-aid from £3/10/0 to £3 per head; by reducing the number of apprentices at the Native Industrial Training Depot, Kabete, from 600 to 500; and by reducing African grants-in-aid by approximately 3 per cent. These curtailments are proposed with considerable reluctance and should not be taken to infer that the value of educational services is in any way underestimated, but the fact remains that we must, as pointed out by the Noble Lord, the Member for Rift Valley, on a recent occasion, cut our coat to suit our cloth.

In the case of the Medical Department internal reorganization has played a large part in the effecting of reductions, as has been explained in the Memorandum. No existing hospital or dispensary has been closed, nor is any such course contemplated, though further expansion has, of course, had to be deferred.

In regard to the Public Works Department, it has been explained in the Memorandum that the suspension of the construction of new works out of revenue has resulted in the

staff provided in the 1931 Estimates being larger than will be required for the reduced programme. There is thus a reduction of nearly 20 per cent in the Personal Emoluments of the Headquarters Staff, Accounts Staff, Stores Staff and Divisional Executive Staff. The cost of the Water-boring Branch is decreased by about £11,000, or approximately 55 per cent, and the amalgamation of the Central Workshops and Timber Seasoning Branch results in a saving of nearly £900. The reduction in the Estimates of the Water-boring Branch does not, of course, mean that machines will not be available for boring on private land as and when required, and if these demands are such as to necessitate more than five water-boring plants being in action, the increased expenditure which will be required for their maintenance will be offset by the extra revenue derived.

Your Excellency, were it not for the fact that this Budget is being referred to a Select Committee of this Council, I should now find it necessary to discuss the various Heads of Estimates in some detail—and in a critical time like this, the necessary result would be a speech running into several hours. But as Elected Members will have the opportunity of discussion with Heads of Departments in the less formal Committee atmosphere, it would, I submit, merely be wasting the time of the House for me to do more at this stage than outline general policy, which I hope I have reasonably done, and I therefore beg leave formally to move the motion.

THE HON. THE TREASURER (MR. H. H. RUSHTON): Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is:

“That the Draft Estimates of Revenue and Expenditure for the year 1932 be referred to a Select Committee.”

THE RT. HON. LORD DELAMBER: Your Excellency, before saying anything on the Budget for 1932 I should just like to say one word or two about the Budgets of 1930 and 1931. I think Your Excellency in your opening address said something about the Estimates of Revenue in those two years and it rather gave me the idea that you thought that it was probably very largely felt by this House—although you did not say so, Sir—that those Estimates of Revenue did not come up to the expectations of this Council when they were passed. Now, Sir, with regard to 1931, it appears to me that Members on this side of the House did almost all they could to persuade Government that they were not satisfied or rather that they were nervous about the Estimates of Revenue for 1931. They were nervous about that Revenue and over the issue affecting the policy of Government they did say that they would ask Government for an undertaking:

"Elected Members agreed to the Revenue Estimates as drafted on the understanding that Government would take all necessary steps to ensure the maintenance and extension of agriculture on which these Estimates are primarily based."

I think, Sir, that shows there are other of my hon. friends on this side of the House who will I am sure go further into that because they were on the Council last year whereas I was not.

Your Excellency was good enough to say in your opening speech or to give the impression that you hoped that this year Elected Members on this side of the House would take great care to see that these Estimates of Revenue were carefully scrutinized, and Sir, I hope that in the Select Committee of this House on the Estimates no such mistake—if there was a mistake—as was made last year of leaving it till afterwards to Government to see what was done about them will be made. I am sure hon. Members on this side of the House all feel it is our duty during the sittings of the Committee on the Estimates to see that by every means in our power we make a safe estimate—we put forward criticisms so that a safe Estimate of Revenue may be made, and, Sir, I think it rather looks as though we might have some reason to make those criticisms. I am not going into detail particularly, Sir, because there are hon. friends of mine on this side of the House who belong to the commercial community who have much more idea of what is likely to happen to trade in this country for the last half of the year than I have, but on the main figures I should like to ask my hon. friend, the Commissioner of Customs, especially because it does show the trend of everything pretty well in the country, the amount of Customs collected—how he arrives first of all at the final estimate or revised estimate for 1931. On the figures, just ordinary figures, I have before me I see that in the first four months of 1930 we collected £352,000; in the first four months of 1931 we collected about £100,000 less—and in 1930 the Estimate of Revenue fell after that by a very large sum, and yet in this year although we have only collected in the first four months of the year £253,000, which is £100,000 less than we collected in 1930 during the same time, we expect to get rather more than we did. I am sorry I have not got these figures quite clear in my mind but there is no doubt that the high estimate of Revenue we expect to get this year appears to be a very high estimate of Revenue for the Customs on the collection in the first four months of the year of £253,000. It means that in the last eight months of the year we have got to collect between 68 and 69 per cent of the Revenue which is very much above the average Customs revenue collected during those final eight months of the year. The only other general figure

one has got is, I understand, up to the end of June in 1931 when the figure collected was nearly £374,000. I am given to understand that for this year. That again does not make me very optimistic because it shows that between the average of the first four months of the year and the next two months there has been a drop in the monthly average collection. My hon. friend will say, I am sure—and as I said my hon. friends the other Elected Members will go into this matter properly—that you collect a great deal more at the end of the year than you do at this time during the slack period of the year, but even then it does appear to me that these figures are on the high side, very much on the high side, even when you take into consideration the fact that you have got to add to the Customs £21,000 for half the amount which the Customs have added by new Customs duties and by the amount they have taken out of I think it is Head III of the Revenue Estimates—but as I said, I will leave that, my hon. friends will know much more about it than I do. I only want to say that as far as I am concerned I do feel rather nervous about these figures; they look to me rather high.

Now, Sir, supposing these figures are right, the 1931 figures, Government has shown us that the amount of the deficit for 1931 will be about £110,000—I think that was the figure. Now the Budget, or the expenditure and the revenue and the deficit or surplus for 1931 are naturally the foundation on which the 1932 Estimates must be based and with the greatest respect, Sir, I must say that that foundation stone has not in the opinion of this side of the House been well and truly laid, although, Sir, we all give the greatest credit to Your Excellency for the policy you have adopted of retrenchment and the very large amount of money comparatively which has been retrenched in the expenditure Estimates for 1931. I am not going to beat a dead horse to any extent but I must just say that I do believe that if before Your Excellency came and afterwards Members on this side of the House and other people interested in trade in this country had been asked to come and advise and help on the question of retrenchment of the expenditure Estimates for 1931 I think it is more than likely we should have been able to balance the Budget for 1931 on the figures put before us by Government. (Hear, hear.) I am sorry to say that because I think it is very much better that these things should be left behind, and I hope, Sir, that you will believe that all Members on this side of the House are determined to give every help to the Government in every possible way in putting right the Estimates of this year, and we all hope that if anything can be found during the discussion of the Estimates in Select Committee—the Estimates for 1932—which might be applied to the Estimates of expenditure for 1931 Your Excellency will use your discretion in doing your best to apply those to the year 1931 because it is a bad

thing to start with that £110,000 down and it is a bad thing to have depleted our balances, our accumulated balances, to the extent that we have. I hope Your Excellency will believe that we cannot put in that amount of money. As I said, we start with that amount down and in the next year, in 1932, we are asked to accept again what appears to be rather a high Estimate of Revenue. Given that to be correct I agree that up to a point the savings made by the Government—as the hon. the Colonial Secretary has said, progressive savings—those savings have produced a very much better picture than was the case in 1931; I am bound to say, as far as I am concerned, a better case than I expected to be produced by the unaided efforts of the Government (laughter), but, Sir, there is one great fault in this Budget for 1932 and that is, Sir, that—and also in the savings for 1931 up to a point—apparently while making them no consideration has been given to the fact that we in this country, I think, must have a progressive policy. It seems to me, Sir, that whatever savings can be found, whatever retrenchments can be adopted, these alone cannot put the country on its legs again. Kenya is already committed very deeply for the loans for her Railway system and for the Port facilities. She is so deeply committed in that way that I believe it to be impossible for her to rely on getting through this crisis and the few years that follow to a purely negative policy of pure retrenchment to the extent of just balancing the Budgets in the ordinary way. I am sure, Sir, that the saving of money and the loosening of credit can only be looked upon as the foundation from which to build a constructive policy of intensified development and increased settlement. A constructive policy on these lines I am sure must be adopted and must be adhered to if we are going to get going again and be able to meet our commitments. Once before, Sir, in our very short history Kenya was saved in my opinion—and I think every figure that can be produced proves that opinion—by a constructive policy. The exchange settlement forced an issue in 1921 just as the world crisis has forced the issue in 1931—ten years later. In 1921 though there was one great difference—Kenya had then to some extent a choice between a forward policy and a period of stagnation, while development forced its slow and natural way forward or died away. Both things were comparatively safe at that time. She adopted a forward policy; she built railways; she built a magnificent port; she encouraged settlement; and anybody who reads the figures up to the end of 1929 must be struck by the great results which have been attained in the figures of trade, in the Railway figures and in the figures of shipping, and all the different tests which can be applied to show what the result of that policy was.

It is possible that the country in those days had a choice, whether to adopt a forward policy of that sort or not. To-day

it has no choice, is my belief. I believe that unless we continue and accentuate a forward policy of reconstruction, we must fall by the weight of the interest on our loans which we raised to create our transport facilities, which are too large for a country unless that country keeps up its forward development. In my opinion, much precious time has been wasted in the last two or three years. Since 1922 an almost complete transport system by rail has been created and built up throughout the country, a system based on the assumption—certainly on my assumption, and I imagine everybody else, including several Governors, with anything to do with the building up of this particular system of transport—a system based on the assumption that settlement was to continue to be encouraged and development to be helped forward. Everyone knows that any economic policy, or sane economic policy made out during quiet times which would have occurred in the ordinary way in relation to our commitments on our transport system, have been held up during the last few years by political alarms and excursions which have in fact started in England. Nobody can deny that the start of them was in England. I am not going into that matter at the moment except to say that thank God it appears as if we were going to get a little lull, and we may be able to get down, and must get down, to our economic position. In addition to that, during these last few years a rapidly increasing staff and improved standard of living and everything else which everybody believes in if it can be done, has meant a very large expenditure on the part of the Colony and of the Railway on buildings. Almost entirely it is an expenditure which yields no return in cash, although we all agreed to pass these things, and agreed at the time that they were necessary to the development of this country and the increase in the different departments. But no one at the present time, in my opinion, can justify anything but directly productive expenditure. As Your Excellency said the other day at Mombasa—I regret that I have not the words, but it was something like this—agriculture was the foundation of this country. Indeed, Sir, it is. It is the root of everything and of all that we have, and to my mind, and the mind I think of Members generally on this side of the House—although I hope they will voice their own opinions—the time has come when the rapidly growing tree of the Colony has got to be watered at its root, agriculture, because this period of economic drought has brought about the psychological moment when that has to be done. It is said sometimes, Sir, by people who perhaps do not consider these things very carefully, why should not the branches and flowers be watered too? The answer is that in times like this, if you water the root it makes every part of the tree grow through the sap that the water has enabled the roots to release, whereas if you water any other part of the tree

and leave the root dry, the watered branch or flowers are soon killed by the death of the tree. In my opinion, and I hope the opinion of others on this side of the House, you must water agriculture with money or credit, if the Colony is to flourish and its difficulties be overcome. The water is short at the present time, and all of it must be diverted as far as possible to the root of everything in this country, or all must collapse or stagnate together. What is the position to-day? Development during the last few years has brought about a situation which invariably occurs sooner or later at the end of the pioneer stage in a new country. The experiments and mistakes which have been made by the pioneers have built up in this country several flourishing agricultural industries. But those same mistakes and those same experiments which were necessary to the building of those industries have saddled large areas of the agricultural land of the Colony with debt, and the collapse of the world produce markets has brought the whole matter to a head. Apart from emergency measures—about which I wish to say a word or two later on—what are really the most practical steps which can be taken to relieve the situation of agriculture as a whole? I am saying—I perhaps should have said so first—I am saying this because I am sorry to find in none of the remarks made or the memoranda written on this Budget is any mention made of money being provided by either cash or credit for this particular purpose. What is the best way to relieve the situation at the present moment? The first is to lighten the burden of interest and the uncertainty of the present system of overdrafts and private mortgages. Thanks largely to Your Excellency's feet just at this moment, but as soon as it gets going its whole purpose must be largely defeated by the absurdly small sum of money put at its disposal which prevents the advancing of large sums in the aggregate towards the taking over of many present mortgages and overdrafts. Most of the money borrowed by farmers to-day is at 8 per cent or over. Even with all but one of the banks, is I am told something like 8½ per cent. That is interest on a loan which under present conditions has generally no term—it is repayable at any time, and any difficulties which the lenders may get into here or in other countries may force them to foreclose at any time. It is not a long term, definitely fixed loan, with provision for amortisation on the whole period. Let us say then that the farmer to-day pays 8½ per cent with the risk of being called down at any time and with the prospect probably of going on paying interest at the rate of 8½ per cent indefinitely, for the remainder of his life. It may be much more in certain cases. What is the position if his mortgage can be taken over by the Land Bank? The bank charges 6½ per cent interest at

present, and I hope it will come down myself, because of the very small sum of money with which it is calculated to operate for a time. Amortisation calculated on 30 years comes, I am told to 1.11 per cent, something of that sort, after which the loan has been automatically repaid, so that the borrower pays something over 7½ per cent for 30 years, after which the land is his own free from debt, instead of 8½ per cent with a debt hanging over him all the time. That is one of the greatest changes that can be made by the Government of this country in the position of agriculture. That change will give the farmer heart to go on, with something to look forward to, and releasing in addition just under 1 per cent of his income. That is why it is vital there should be more money available for the Land Bank, and it will put farming on a different footing altogether. And, Sir, this is only the beginning of what the results of that will be. If you have a stable Land and Agricultural Bank working with sufficient capital, that is a definite attraction which can be offered the newcomer. He knows that once he has got his land—and I hope we are going to encourage settlement in different ways from now onwards—and help the acquisition of sub-divisions of present holdings by newcomers—he knows that once he has got his land and done his improvements, there is the long term credit system of the Land Bank behind him. The attraction of new capital serves two purposes. A sub-division at present unused on a farm is sold to a newcomer. The original owner is thereby capitalized to improve the present farm or to change his method or to pay off his debt, and that position is improved. The newcomer works part of the land of the original farm which has been unproductive because it has not been worked, so that further development occurs there too, and of course where you get increasing development and new money it goes through all sections of the population of this country. Apart from that, the buyer to-day has to buy out any private mortgage or bank overdraft in cash, or saddle himself with an insecure position if he can arrange to take it over, and thus starts with that, whereas if he buys a farm mortgaged to the Land Bank he can, presumably with the leave of the bank, take over the long term credit with an extended liability on easy terms for the capital. That, of course, depends on the personality of the individual, I presume, to a certain extent. Combined with a settlement scheme and aided by a Bill protecting those who wish to take part in co-operative credit schemes from the ordinary unprotected risks of joint and several liability, we believe development will be greatly stimulated and that the Land Bank properly financed should be the centre of all this sort of activity in the country, first as a Land Bank working on the most rigid lines of proper Land Bank policy, and then as an agent to the Government perhaps for distributing money which has been voted for settlement schemes or for other purposes.

May I repeat, Sir, that in our position increased settlement and development in the alienated areas combined with encouragement of the development in the Native Reserves can alone safeguard the future of this Colony by increasing the population carrying our commitments and producing for the Railway that increased density of traffic per mile which alone can really make secure the position of the country and the Railway in the near future. That, Sir, is the main policy laid down and stressed in the hon. General Manager's yearly Report. A greater density per mile of traffic is the key to the Railway position; finance for agriculture on a proper scale and in all its ramifications will produce more traffic and also better paying traffic. It will start new production by new people, which means imports. It will enable the men who are here gradually to change on to mixed farming which means a gradual increase in higher priced products. It will enable the ordinary man, the original man who was on the land in many cases to get out and start afresh with new capital. We are really disappointed to find, Sir, that while the question of loans for buildings has appeared several times lately under different mention, in the Budget for this year—1932—which we are discussing there is no provision made to cover interest to produce capital or to produce credit or whatever the particular system may be for financing the Land Bank to set going again the wheels of agriculture in this country. We have been told, Sir, that the Secretary of State—I suppose he is not the Secretary of State any longer—but we have been told by the Secretary of State that there would be difficulty in floating a loan for agriculture in Kenya: now why agriculture of this country which are temporarily in rather a difficult position are put again on a safe margin of surplus revenue the Secretary of State might very well make difficult or the market, for that matter, might be rather shy. It is the business of all of us, in my opinion, in this House to re-create now immediately on this Budget that margin of safety in our Estimates from which to start a sinking fund for the gradual increase of our surplus balances and produce money for creating a fund to finance the Land Bank on a proper basis. As everybody knows, if you go in for taking over mortgages or overdrafts in this country it means quite a large sum but that sum is only a portion of that; we must be progressive and I think that probably if we could put aside £30,000 or £50,000 out of the Budget of this next year to create interest to cover either credit or capital for the Land Bank we should be doing more for this country than anything we could do in any other possible way; and that should be carried on in the future, but I should like someone in this House who perhaps knows more about this matter than I do to answer a question as to why money for agriculture presents

difficultly as compared with the raising of loan money or credit or whatever it may be for non-productive expenditure such as buildings. Of course the loan is made on the credit of the Colony and not with regard to the particular thing that the money is being used for except naturally that people who lend the money like to know it is being used for some sensible purpose and for building up the future of the Colony so that the interest and sinking fund may be safe. Surely the credit of the Colony on which this loan is raised must be enhanced by the loaning out of money to reproductive development on strict banking principles and must be lowered by the locking up of money in buildings in cases where there is no direct return. I am not saying, Sir, of course, that buildings are not frequently necessary—they have got to be sometimes. In the one case increased production from the soil pays the interest and in the other the Government has to find it. The loaning of money on strict banking principles when the farmer is paying the interest and when he can give security for the capital is on the same sort of footing as a loan to a municipality. The Colony is the guarantor for the loan to the Land Bank in the one case and the municipality in the other finds the interest and sinking fund. Instead of the quite inadequate sum of £240,000 the Land Bank will require cash or credit or guarantees to enable it to raise its capital to a sum sufficient to put the present farming loans and mortgages on a long term loan basis during the next two or three years if we are to get on. It is naturally not necessary, as I said just now, to start with the whole sum at once but Elected Members—I believe I am speaking correctly—are determined to take every step in their power to start such provisions straight away. (Hear, hear.) This financing of agriculture on a business basis is the only self-starter which the Government of this country can press upon which will start the wheels turning again, in the opinion of hon. Members. I am sorry my hon. friend the Colonial Secretary laughs at my imagery. Commerce and business actually are just as much interested as the farmers in this particular matter; even where in certain cases the actual production of the soil may be sold by co-operative companies directly overseas yet the products returned to this country as imports go through the ordinary channels of trade and bring grist to the mill of every commercial man in this country.

Sir, I am quite sure that if this country is to put itself straight again Your Excellency will agree that a policy of pure retrenchment, which must be the basis and the beginning of any method because we have got to loosen up something somewhere before we get going—but a policy of that sort is not really enough to put this Colony again on a safe basis owing to the very large commitments we already have. Once we have got that going again and money is flowing by the

agricultural products of the country then is the time in my mind to start buildings and other secondary considerations. I am afraid that for a time we shall not be able to provide any more Government houses, as far as one can see, and we certainly cannot afford public buildings at the present moment however much we may agree with the purpose for which they are required.

It has often been said before that it is unfair or it is hard or whatever it may be on the Banks to start a policy of lowering the interest that agriculture pays, but agriculture cannot pay a high interest. In every country in the world where agriculture has been a success this method of a low rate of interest on a long term loan has been adopted to put agriculture on its feet properly and for that reason we feel—at least I feel—that the policy must be adopted regardless of that. On the other hand, Sir, it makes it very much easier by reason of the fact that the Banks have always said, and I believe quite truly, that they do not like this sort of business, lending money out to landholders and farmers and different people when they do not quite know when they will get it back or how long it will be locked up or anything else, and I personally believe that there is plenty of other business for the Banks in this country which they can take over gradually as these mortgages and these Bank overdrafts and so on are gradually taken over at a lower rate of interest by the Land Bank.

Just as the individual, Sir, has undoubtedly got to suffer at a time like this for the sake of the community so when it comes to the point there is no doubt in my mind where we ought to stand with regard to this matter, that the agriculture as a whole of the country on which we all live directly or indirectly comes first and I do feel and I hope sincerely that as far as the Banks are concerned they will be quite willing to go on with their ordinary deposit and exchange and other business and the financing of other things than land and leave the Land Bank gradually to take over at a lower rate of interest the money which is such a heavy debt on the agricultural land of this country at the present moment.

I said just now something about native development. It is often said that we have done nothing on this side of the House to push forward native development in the Reserves. It is undoubtedly true that we think on the whole that it is probably a great deal better for the native that it is or whatever it may be for working for somebody rather than to draw a very much lesser sum for working for himself—but that is simply a general principle and there is one thing which has come up in the last year or two which as far as I am concerned I look upon as a most important activity which should be adopted in some of the Native Reserves, and

that is the financing of factories—one certainly, two probably—one in the Masai and Ukamba Reserves and one in the Northern Territory—two factories for making something from the very useless hordes of cattle that at present exist all over the country and to produce something from those countries. The Masai, as everybody knows, have a country something like the size of Denmark and at present as far as I know we draw nothing from it. The country as a whole gets little or nothing except in the shape of hides which after all is rather a defeatist policy that you only get out of the country the products of dead animals, the animals that have died from starvation or disease. Sir, I think we all know that it was proposed to carry this out through the Colonial Development Fund at home but I understand—I think it was given to us—that the Colonial Development Fund at home has said that if they are going to put up anything they would have to ask this country to put up money too. As far as I am concerned I think no better thing could be done than to find that money and get on with that particular job.

With regard to other methods of helping forward development in the Native Reserves I hope that Government will before very long go into this matter—I hope to a certain extent that we may be able to do so at this Select Committee on the Estimates.

There is another thing which I am sorry to see. As far as I can understand the Estimates for 1932 a thing that is not provided for in those Estimates is the putting into action of the Fencing and Dipping Acts. Now, Sir, if it was simply the Fencing and Dipping Acts for the cattle-owning community as they used to be, one would not think so much about it but one of the greatest needs of this country to my mind—and I think that is agreed to by everybody who knows anything about agriculture in this country—is the gradual turning of certain districts from one-crop farming to mixed farming and that does mean, if it is going to be carried out properly, the inclusion of stock and the possibility of having stock in that particular policy. It is well known, for instance, that parts of the Trans Nzoia at the present time and other districts—but we will take that particular district—are anxious to get certain parts of their country cleaned up from East Coast fever so that they can go in for a policy gradually which includes other crops besides the one they are growing already and dairying and other things of that sort. I do believe, Sir, that whatever difficulties there may be in our getting on, in our making an effort to try and change these cheaper crops into something more valuable, it can only be done over a considerable period of time, but in order to start doing that I believe it is a very important thing that we should start in action these two Bills. I am not going into the matter in

detail now, but it is part of a policy to increase and improve the better products of the country as against the cheaper things.

There is another point that I think I said just now I would like to say something about, emergency measures. One of those measures which I think very possibly might be turned into a permanent one is the question of the protection of the wheat farmers of the country from the import of foreign wheat, whoever it may belong to. I am not going into the question to-day, because there are people here who know much more about it, but I mention it as one of the factors which appears to be interfering with the farming community in this country at the present time.

It will be asked how we are going to get the money for this. If the Budget put forward for 1932 is correct, I mean that if the revenue is likely to be right, it appears to me there should be no very great difficulty, added to the present retrenchments, that it will produce the money for this purpose. The only fear I have is that we shall have a further shortfall which will make it difficult. But it is important something should be done. It is with the greatest possible regret that Members on this side of the House have come to the conclusion that they are going to ask Government and our friends on the other side of the House to consider the matter of cutting salaries. As I have said, it is with the greatest possible regret that this will be done, but on looking about it seems almost impossible to find sufficient money for the purposes which have to be met unless something of that sort is done. I do think now, after the time which has passed, at the present very low rate of products in the world's markets, you can consider to a certain extent the change which has taken place in the economics of the world. Certainly a great change has taken place in the case of foodstuffs and living, there is no doubt about that. To a certain extent in one or two articles the Civil Service of the country is denied access to the markets of the world, but only in a few articles, and the fact that they are grown in the country does not as a rule make them much dearer, and in some cases a great deal cheaper. I should like to remind hon. Members on the other side of the House—and I hope they will believe that this a job I do not like—I should like to remind them that in 1921—this is not an argument exactly, a full argument at all, but it does give some basis for this proposal—when the exchange settlement took place Mr. Amery for some reason I never quite understood but in order to preserve Civil Servants from the action of that particular settlement allowed to them the amount of 50 per cent over and above their salaries to meet the case of that particular settlement. That amount of 50 per cent was to come down gradually with the cost of living. In fact, I think

his words were that it was to go on until Sh. 20, it might have been a sovereign, would buy the same amount of ordinary things used in a household, or whatever it was, as Rs. 15 had bought before. That went on for some time, and the local allowance—which I see by the way has been taken out of the first estimated expenditure this year—the local allowance came first estimated according to the cost of living figures until it got down to 20 per cent. At that time it was decided to consolidate that in the salaries of all the Civil Servants of this country. That means they had an addition of 20 per cent permanently added to their salaries. I believe it to be correct, because I am speaking from memory. I am not using that as an argument in any way, not a full argument. Naturally, if that amount had been added to the salaries of Civil Servants by this House, they would look on it as a thing fixed in the ordinary state of affairs. But this is not an ordinary state. We have reached a position in the world to-day when the ordinary state of affairs has got to be passed by. I honestly believe that Members on this side of the House should press that an all round cut of 10 per cent on salaries should be made, above the very low rate which only just covers the ordinary cost of living in a family. That is one way from which an immediate result can be obtained.

I am not going into the detailed Estimates where we hope to find out things that may enable us to propose savings, but, Your Excellency, we are troubled in this country by the tremendous overhead charges for departments. It is entirely our own fault probably. We and Government together in the past have agreed to these things. At any rate, it is largely our own fault, but what I do say is that, in a time like the present, a country like this, an agricultural country, cannot carry the overhead charges, agricultural country, cannot carry the overhead charges, Take administration alone. We used to have the ordinary administration of natives, and then the Secretariat between that and Government. We now have four things. We have the Secretariat; in addition to that we have a native government in the Reserves and settled areas, a sort of combined thing of Provincial Commissioners. On top of that we have the Native Affairs Department, and we also have the Local Government Department. There is a great difference of opinion, at any rate some difference, on this side of the House, as to which of these particular overheads should be got rid of, but there is no doubt in the minds of anybody that we have much too large overheads, and that these four things between the Governor and the people must be very redundant. In that matter we hope that Your Excellency may be able to give us some help to see what can be done or recommended on that point. It has grown up in a series of years, a mixture between the original barbarous method—I won't say that because I understand some of my colleagues

do not agree with that—at any rate, between the original method and the Secretariat at the top, and it began to get rather more detailed and technical method such as a Local Government Department and Native Affairs Department. I am not going to say any more than that, because I do not think that everybody is very much agreed on these matters.

There is another matter that I am sorry to allude to, and I hope nobody will take it in the nature of a hint or anything of that sort, and that is the Public Works Department. We feel very strongly, and have for a number of years, Sir, that what we want in this country is a small public works head staff or department which will see that plans are got out and estimates and give out work on contract, such as buildings to contractors and roads we will say to the District Councils, so that as far as possible you have an elastic Public Works Department at the head of affairs under which work can be cut down or gone on with as the finances of the Colony allow.

There is another one which is also a difficult question which I think the Government should tackle, and that is the question of the overlapping of the military and police of this country. I know the difficulties of this thing. I know our former Governor who had been a soldier, and other Governors, had found great difficulty in dealing with this particular question, but the world to-day is not quite what it has been in the last few years, and a matter of this sort has got to be solved during this sort of time or not solved at all. It is with the greatest regret possible that I raise this question in some ways. I have many friends in both branches, and I dislike raising these things very much, but in my opinion the country would be a great deal better with the Police Force alone. I believe it could do all the military work required by a country of this sort, and it appears to me that if the War Office is not contented with the standard of it, that if we believe a Police Force properly organized can deal with the work on the frontier as well as anybody else, that if the home authorities or the War Office think differently they should pay for it. I think everybody will agree, during the local war here, what a very high standard the Rhodesian police had arrived at. I have heard many soldiers say so and so on: it is not one of those matters I am expert in so I think I will pass on, but those are some of the things, Sir, which will probably say that does not help us much this year but regard to which major savings can be made. Your Excellency I think this year is probably a better time to do and get these things done than any other time. We have got a Government at home, which is going in for retrenchments and presumably will have to consider these things and will have

them in their minds, and it does seem to me that now is probably the best time for a change of this sort we could possibly have to go into these matters.

I am afraid I have rather lost my track as to a lot I was going to say on this matter and I am afraid I have said very much too much, but those are the sort of general ideas we have in our minds, I think. There are several other things which I hope other Members, if I have left them out, will take up. I am sure everybody has certain things to say and so I will not say any more. (Applause.)

*The Council adjourned for the usual interval.*

*On resuming.*

THE HON. CONWAY HARVEY: Your Excellency, I wish to associate myself with the masterly presentation of the unofficial view by the Noble Lord who has just spoken.

There are, Sir, one or two directions in which I believe that immediate minor economies might be put into effect and at least one direction in which I believe increased revenue might easily be secured by Government. The first of these to which I should like to refer, Sir, is the retiring age of members of the Service. If this were increased from fifty years to sixty years the resultant effect on our pension list, to say nothing about recurrent expenditure, is perfectly obvious. The Pensions Committee, Sir, which sat in 1928 recommended to Your Excellency that the retiring age should be extended from fifty to fifty-five and it was thought at the time, Sir, and we still think, that that might very well be put into practice immediately, whether other East African Dependencies adopt the same rule or not. "Too old at fifty" is a poor sort of slogan to apply to the very large number of our senior officials whose ripe experience and local knowledge fits them in a peculiar degree to serve the country efficiently.

Another ridiculous regulation, Sir, to my mind is one which permits young men to retire after a period of twenty years' service. We most of us, Sir, feel very strongly indeed that that period might well be extended to thirty years.

Now, Sir, the next matter to which I wish to refer—and it may seem a small point, Sir, but an aggregation of these small points may amount to quite a lot—I refer particularly, Sir, to the enormous amount of energy and paper that is wasted in connexion with audit queries and letters of reminder. Now, Sir, I am going to ask my hon. friend the mover to ascertain from the Government Printer the exact number of such documents which have been issued by



the Government Press during the last period of twelve months, and I am quite sure, Sir, he will be staggered when he sees the figures in cold print.

There is no doubt whatever, Sir, that this very efficient Audit Department is handicapped in another direction, inasmuch as one of the regulations under which they work prescribes that they shall be proficient to the extent of being able to pass a Swahili examination. Now, Sir, I am one of many who agree with Mr. Dobbs that a working knowledge of Kiswahili is of considerable value in most walks of life in Kenya, but it is hard, Sir, to appreciate its value to a Government auditor as we understand that Government books are kept in English. In my humble opinion, Your Excellency, a knowledge of the somewhat complex scoring at contract bridge would be just as useful an accomplishment for a Government auditor as a knowledge of Kiswahili.

The next item to which I should like to refer, Sir, is the establishment of a Central Registry in Nairobi, which everyone knows was recommended by the Wade-Mayer Report. I consider that a most excellent *prima facie* case was made out for the establishment of such a Central Registry but I have no intention of committing myself at the moment to the scheme or supporting it or condemning it, but we should like to hear, Your Excellency, whether this matter has been carefully investigated by Government and Government's reasons for rejecting what appears to be at first sight a perfectly reasonable proposal.

At the same time, Sir, we should be very glad to learn in due course what action Government has taken in regard to another recommendation by the same Committee for the introduction of modern labour-saving office equipment and the general reorganization of Government office methods, as many of us feel, Sir, that very great economies might be effected by reorganization on the lines recommended by those very able gentlemen who composed that Committee.

Notices in the Revenue Estimates an estimated decrease of no less than £22,500 as likely to accrue from land sales. That, Sir, to me is pitiful and I am quite sure the whole country will share my disappointment that Government has made no announcement whatever that it is interested in any way in the important subject of Closer Settlement. As the Noble Lord has already stated, Sir, interest charges constitute a very heavy burden on the comparatively small European population of this Colony. That capital, Sir, has been expended in the creation of amenities which might very well be made to serve double or treble our present population. Now, Sir, in spite of the fact which is very often overlooked

that the average production for export of the European farmers of Kenya is something in the region of £1,500 each— which, Sir, I believe constitutes a record for the British Empire—the density of development in relation to acreage in Kenya does leave something to be desired. Now, Sir, I consider that we should all do our utmost to see that all land at present undeveloped in the Colony should add its quota to the economic life of Kenya. I consider, Sir, that Government should identify itself with efforts that are being made to facilitate the subdivision of large areas of undeveloped land.

Another direction, Sir, in which I think Government might greatly assist is in assisting to advertise the attractions of Kenya and its advantages as a place of domicile to retired members of the Services and others. I do feel very strongly, Sir, that the importance of this class of our European community to the finances of the Colony and society generally and its economies is very often overlooked. I am one of those too, Sir, who feel that a forward policy in connexion with the alienation of Crown Land should be pursued by Government. The essence of any form of settlement is publicity and I would respectfully suggest that Government should identify itself with a movement which has already been started by Elected Members to let people in other countries—in Great Britain, in South Africa, in India and elsewhere—know exactly what we have to offer. I consider, Sir, that descriptive schedules should be prepared and organisations set up in Kenya and the other countries I mentioned a moment ago particularly showing exactly what class of land is available and what the prospects are of people who desire to come to Kenya making a success of their settlement in this country. There is no doubt whatever, Sir, that such descriptive schedules giving proper publicity would be of very great value and they would undoubtedly from my knowledge of the advantages of Kenya satisfy the closest scrutiny of the most critical farmer.

THE HON. T. J. O'SHEA: Your Excellency, these are the eighth Estimates of Revenue and Expenditure that I have had the responsibility of examining from the point of view of a public representative, a Member of this House. I may say, Sir, that I have never examined any previous Estimates with the seriousness with which I have these and with the desire to fulfil to the utmost my responsibility as a representative of the people and as one of Your Excellency's unofficial advisers. I am examining them, Sir, in the spirit to some extent inspired by your appeal the other day that your unofficial advisers should give you all the help and co-operation possible. That being so, Sir, I hope that it will not be thought churlish of me if I fail to give very much time to

dilating on their virtues. Their virtues are very obvious indeed, as obvious I might say as the piety of the man who prays aloud in the public thoroughfare. Their outstanding virtues are a reduction in expenditure and a surplus balance, but, Sir, as they deal with the country in a very critical situation, a situation that may possibly get worse and if it does get worse may very likely mean a financial collapse in this country, I think it is very necessary to emphasize for the information more particularly of those who are not familiar with such things as Government Estimates that they are Estimates only, that they are an attempt to forecast events and they are an attempt to forecast events under circumstances that make it extremely difficult to arrive at a forecast that may be justified by events. These Estimates, Sir, let me again emphasize, may never be realized—the expenditure, of course, is dependent upon the revenue, and therefore the all-important question is whether the Revenue Estimates are likely to be realized in fact. To estimate this it is very necessary, I think, to pay some attention to Government revenue in 1930 and in this present year. The 1930 Estimates of Revenue fell short of expectations by something in excess of £100,000. Now, Sir, no blame attaches to your official advisers for their failure to forecast events with strict accuracy in 1930. When the Estimates for that year were being considered towards the end of 1929 the situation did not disclose itself sufficiently to justify an over-conservative estimate of events in 1930. And so, I think, the Elected Members were undoubtedly justified in placing the same reliance upon the hon. the Commissioner of Customs in his estimates as they had for a number of years previously, because they had found he had proved himself a very capable officer and his estimates could always be relied upon. I would like, as I may have later to criticize him from another point of view, to pay my testimony to the ability he has shown to estimate revenue under anything like normal conditions; but it is only fair to acknowledge that the task set him on this occasion is an impossible one, even for a man of greater capabilities. Even people with international reputations are failing to forecast events under present-day conditions. Therefore I hope it will not be thought that I am in any way disparaging him or questioning his abilities when I question his ability to forecast events for 1932. When the 1931 Estimates were considered towards the end of 1930, whether Government was very grave doubts indeed as to whether Government was not over-optimistic in their Estimates for this year, and some explanation is due to this House and to the public as to why Government did not give greater consideration to those doubts and fears seeing that they then should have been aware that there was going to

be a shortfall in the revenue collected for 1930. The Estimates had hardly been passed when Members on this side of the House had even greater evidence that their fears were going to be realized, and at the beginning of this year they went in a body to the Governor and endeavoured to impress upon Government that things were getting worse than had been foreseen a few months previously and that a common effort was necessary in redrafting our Estimates for this year. Elected Members offered to give every possible assistance to Government in reconsidering the situation, and those offers of assistance were refused. I shall not dwell on those events at any great length, Sir, but I think it is only fair justification of our actions during this year to lay stress on the fact that we did foresee what was going to happen in 1931 and that our offers of assistance were refused. It is only right also that I should say that had a combined effort been made earlier in the year to meet the situation then developing, some of the regretted things that Government have had to do since need not have been done. There would be men and women still earning their living in this country, some in the employment of the Government and others outside, who to-day are not earning their living because of the action the Government had to take because they were so dilatory in facing the situation and so obstinate in not recognizing the gravity of the situation. Arising out of that, Government had stymied our efforts in the early part of the year by holding out the bait of an economic expert from overseas. As we thought at the time, that was nothing more than a sprat, and it is rather interesting to find that nothing has since been done by Government to have an examination of our economic position made either by people on the spot or by an expert from overseas.

THE RT. HON. LORD DELAMERE: Thank God.

THE HON. T. J. O'SHEA: An exclamation of my right impresses on me that the expert might not have been very valuable in our situation—I entirely agree. I am not surprised that Government, on reconsideration, should have thought fit to drop the idea. Nevertheless, the necessity still exists for an inquiry into the basis of our economic structure. The first question one must ask one's self about these Estimates is—are the Revenue Estimates justified? If they are, then much of what I shall have to say is possibly out of place. If they cannot be justified, what I have to say is possibly worth giving some attention to. So far, we have not heard from the Government side anything like justification for the optimistic Revenue Estimates for next year. I do not see how it is possible to expect such a large return of revenue unless there is something in the nature of a very definite trade recovery. We should very much like to think

a trade recovery of that scale in the near future was possible, and I sincerely hope that before this debate is finished the hon. Commissioner of Customs will give us his reasons for thinking such trade recovery is not only likely but probable, because otherwise I fear very much that these Estimates are not going to materialize in fact. It seems to me that the people who drew up these Estimates concerned themselves entirely with arithmetical ciphers, and they have no sense or understanding of the realities that these ciphers are intended to express. It is my very definite opinion that if this House confines itself to dealing with the Estimates in the same way, if it confines itself to mere further juggling with those ciphers and does not get down to the more difficult, but essential, task of studying the realities that lay behind them, its efforts will be largely wasted, and also our time. The realities I see behind these arithmetical ciphers are the services and the goods that are commanded by Government from the people as their forced contribution to such services. If one looks at it from that point of view, and in our critical situation we must, we have got to study the taxpaying communities of this country and question their ability to respond to the effort that Government is going to call on them to make next year by contributing to the Revenue Estimate. The hon. the Commissioner of Customs estimates that the people of the country can next year contribute to Government goods and services to the value of over £800,000; in the second heading of Revenue they are expected to contribute £921,000. I should like somebody on the Government side of the House to give their ideas as to the ability of the country to make these payments in goods and services next year. Let them take first of all the native population. In previous years questions have been raised as to whether the native populations of this country, the native peoples, were paying revenue to the extent that was justified. On the other hand, questions were raised as to whether they were not being taxed beyond a fair capacity to pay. And Government have assured both sides that the amount of taxation levied on the native peoples was not less than might reasonably be expected of them and was not in excess of what was equitable. That being so, it is only right to ask whether the amount one might expect to get from the native peoples next year is or is not in excess of what they should reasonably be expected to pay, considering their circumstances. They have been asked to pay next year, making allowances for destruction, very much the same amount as they paid at the peak of our recent period of prosperity two or three years ago. I should like the hon. the Acting Chief Native Commissioner and also the Reverend Member on this side of the

House who is more particularly concerned with looking after native interests, to express their opinion as to whether the native population is in a position to pay in goods and services next year to the extent to which they have been called on to pay. Am I not right in saying that the value of the agricultural produce they raise in their Reserves, and that is all they raise, and as the Rt. Hon. Member mentioned this morning, they also export from the country the hides of their dead animals, is rather less than half the price they were getting for their agricultural products three years ago? That when they leave their Reserves they get very much less wages than they got three years ago? Also, am I not right in saying that they are finding it much more difficult to find a demand for their services outside their Native Reserves? That being so, is anybody on the other side of the House in a position to justify the estimate of revenue from native agriculturalists. Is it not the opinion of the Government that they are endeavouring to obtain a price for their crops that would give them some return on the cost of their production, and because of the world-wide conditions they are failing in, that attempt? That in actual fact anything they get back from the sale of their crops is necessary for the payment of the cost of producing those crops, and in fact there is no margin to contribute for Government services, so that to pay Government next year the demands made upon them for Government services will mean that they will have to go still further into debt and thus make more difficult a position already extremely difficult. Possibly the hon. the Director of Agriculture would endeavour to justify the levy that it is proposed to make upon these people next year.

Again, Sir, the commercial and professional classes: will Government deny that these people are this year and certainly next year will be in receipt of very much smaller incomes in return for their services to the community than they enjoyed a couple of years ago and are therefore in a very much worse position from a taxation point of view than they were a few years ago and that in asking them to pay anything like the same contribution for Government services that they were called upon to pay three years ago is unreasonable?

It is not likely to be realized and it is from that point of view I am considering the matter at the moment, whether these Revenue Estimates can reasonably be expected to accrue.

Again, Sir, if you come down to the clerical employees and the artisans who go to make up, roughly speaking, the balance of the taxable community surely it is within the knowledge of Government that outside the Service salaries

have been reduced all round, with a few minor exceptions in the case of the Banks and a few big institutions, and that the artisan class are getting less employment and what employment they do get is at lower wages and that many in all these classes have left the country in the last year or two. In fact, Sir, my analysis of the taxable capacity of the country next year brings me to the conclusion that the only class in any large numbers still capable of bearing the burden they carried three-years ago is the Civil Servant class, and as I am to-day recommending that they should no longer be left in the position that they are in, that class next year will not be in quite the same position to pay the same amount of taxation. So, Sir, the conclusion I have come to is that these Revenue Estimates are an over-optimistic forecast of events. I feel very strongly indeed that Government is not likely to get in the amount of money that it anticipates, that therefore it is not justified in estimating for expenditure to that amount in the ways in which it has set out that expenditure, and that there is a grave possibility, a very grave possibility indeed, that instead of these Estimates doing something to readjust the position and improve the situation of the country we are running a big danger that next year we shall have a very much worse situation to face. If these Estimates of Revenue go wrong then undoubtedly that would be the position, failing a trade recovery that can hardly be anticipated.

Looking at them again from another point of view, the question of equality of sacrifice, I do not suppose that anybody will question that when it comes to a national effort to meet a difficult situation that principle of equality of sacrifice should be the foundation of our efforts. Looking at it from that point of view it seems to me the distribution of the Government burden is not equitable as between the different groups of the taxable community and between the different individuals in those groups. Some of the inequalities, in fact most of them, I must admit, are due to the fact that we have no proper system of taxation. Our lack of system has grown up as one of the practices of Government of never trying to work on a principle but generally to meet its commitments from day to day and find a way out of its difficulties every year, and so I say this burden next year will bear very harshly indeed on those in the lower scales of earning capacity. Even in that class which has escaped the economic collapse to a great extent, the Civil Servant class, the Government does not appear to me to have endeavoured to apply that principle of equality of sacrifice. Some of the efforts that are shown in these Estimates to cut down expenditure bear harshly indeed on individuals in the Service while others have been allowed to go untouched. The Government's

action in abolishing travelling allowances I regard not only as most—I can only describe it as a most stupid thing, but also a most inequitable thing, and it rather gives me the impression that panic prevails in Government circles and that on occasions Government is incapable of seeing the consequences, the immediate consequences even of its own actions.

Now, Sir, as I am probably regarded as the arch-conspirator in the efforts that have been made in this House and outside during recent years to bring about a revision in terms of service in Kenya, I should like to say that in connexion with our advocating a cut in the salaries of the Service I regard it as something for which no apology whatever is needed. I think it must be evident that in the circumstances in which we are placed it is one of the first things that should be done and that in doing it no injustice whatever is inflicted on the Service. I take pleasure in believing, and there is justification for my belief, that the proposal will not create any feeling among the majority of members of the Service. They have a sense of fair play; they have a sense of responsibility towards the State, and I think I am right in saying that such an effort, such a sacrifice, on their part would be regarded with very much less displeasure than some of the efforts that have been made by Government in recent months to economize on the cost of personnel. For my part I favour a sliding scale cut. I think that is the most equitable way and it would result in a very considerable saving to Government without inflicting any degree of hardship on members of the Service.

Turning now, Sir, to the expenditure side of the Estimates in which Government's ideas of economy express themselves, the first thing that impresses itself upon me is that the savings in expenditure have been effected by curtailing services rather than by effecting economies in the cost of them, and from that point of view, Sir, I regard Government's economies as open to the gravest possible objections. The manner in which they have gone about reducing expenditure means that next year we shall very largely go without certain services for which we shall have to pay more dearly later on when we have to reascite them. I think it is worth drawing attention to the fact that the reduction on net local expenditure for 1932, that is the recurrent votes, is only in the neighbourhood of 7 per cent. It is true that that total is increased for next year by an amount of £67,000, increased payment for our debt but that is a first charge upon our revenues that would have to be met in any case and we could not think of planning our services without having made provision for that vote. That provision having been made our savings in other directions on these recurrent votes only amount to slightly under 7 per cent on last year's figures so that these economies that

have been effected are very largely of a temporary nature—they do not represent a reduction that will carry on from year to year. The greater proportion of the savings are on the extraordinary and recurrent votes and the Public Works Department suffers very considerably indeed. I am not particularly concerned about the feelings of the Public Works Department in the matter but I am particularly concerned about the very big cuts that are being made in one of our most essential services—the maintenance and improvement of roads and bridges. Having spent something in the neighbourhood of £15,000,000 upon a Railway, it was generally considered necessary that we should spend some amount upon making a road system in the country and bringing it up to a standard that would enable it to serve that Railway. I think it most regrettable indeed that Government should have found it necessary to cut so heavily on the road votes for next year because it does not mean any real saving. It is merely a temporary expedient—by cutting down roads next year we are going to be faced with a bigger bill for roads the year after, and so the economy effected there is nothing like the amount that is shown in the tables produced by Government. In the same way, Sir, in connexion with the agricultural, medical and other departments upon which appreciable savings have been shown, these savings are more largely in the nature of restricting services than actual reductions in the cost of administering those services. From that point of view they cannot be regarded as real savings. They do, it is true, reduce the figures of the Estimates, but the country, looking at it broadly, has not effected any saving, assuming that these services had value during the years they have been paid for. I suggest, Sir, that during the course of the Select Committee Government might give sympathetic consideration to the proposals put forward from this side of the House for the revision of these Estimates.

I would support previous speakers in emphasizing the excessive cost of administration in every Department. Analysing our figures of expenditure one cannot but be impressed by the fact that it costs to spend any amount of money on a service a very large amount. The total vote for our administration costs is so excessive that one sometimes wonders whether it is advisable to give Government any more money for any service because of the amount that is inevitably wasted in the expending of the money.

Secondly, I believe a very large real saving to the country could be effected by eliminating the Public Works Department as at present constituted. I strongly support the suggestion that it should be retained only as a technical department and that the work heretofore carried out should in future be carried out by contract and by local governing bodies in so far as they

are in a position to do so. I say that, Sir, without wishing to imply in any way any reflection upon the present head of that department. He may, or may not be, a highly efficient head of that department—I have an open mind on the subject. Holding the views I do regarding the Public Works Department, because after 20 years' experience of it in this country I have definitely made up my mind that the Public Works Department system is not an economic one, that while there may have been ample justification for it up to recent years there is no longer any justification for maintaining a system that is most extravagant in its working, and I am convinced that the work it is doing could be much more economically carried out by private enterprise. In recent months I have come across several examples of the work of that Department from the point of view of cost. Two cases have recently come under my observation. In one case the Department quoted rather more than twice the price at which the work could be done by private enterprise, and in the second case the figure for doing the work was in the neighbourhood of three times the price at which it could be done by local enterprise. Despite the figures produced by Government from time to time by having the work done departmentally, I am satisfied, after exhaustive investigation, that it will be a real economy to the country to eliminate that Department except as a technical supervising department, and in that connexion I support the view of the Noble Member for the Rift Valley that in times like this one realizes what a burden it is to have a Public Works Department constituted as ours is. At present we cannot give them the money to do the work for which the big Department was created, but the overheads are there just the same, and the reduction in the overheads is not comparable to the reduction in the work that the Department is carrying out. In the district which I have the honour to represent we have to-day six or eight of a staff of highly expensive men, and the amount of work for which they have money to go on with bears no comparison to the cost of carrying them as overheads.

A sliding scale cut in the salaries has already been dealt with, Sir.

I believe also in connexion with these Estimates we should take into consideration such recommendations as may be made by the Committee at present sitting on the terms of service. I would ask Your Excellency to consider whether it is not really necessary that that Committee should be asked to conclude its labours or to present an interim report as soon as possible with a view to embodying, if acceptable to Government, its recommendations. The matter is one that has been dragging on for a number of years. Government's failure to deal with it in the last few years has been costly to the

country, and I strongly urge that the present is the time to direct the Committee that it should be finally and definitely dealt with.

Lastly, Sir, I regard the over-optimistic Estimates of Revenue and the failure to cut down the cost of the services as the two grievous sins of commission in these Estimates, and I regard as a very grave error of omission the complete failure of Government to make any provision in these Estimates for a policy of reconstruction. I am disappointed indeed not only in these Estimates but in Your Excellency's opening speech to the Council a few days ago, and in the hon. the Acting Colonial Secretary's address this morning, that there should be no evidence whatever given that Government realizes the necessity of having a constructive programme alongside its efforts to curtail expenditure. It seems to me, Sir, that Government thinks it has met the situation adequately by just cheese-paring on its expenditure, that it has completely failed to realize the gravity of the situation with which it is dealing. If it thinks the country can be left to itself to recover with God's will and no effort on the part of Government, then I say that is completely failing in its responsibility. I may be wrong in thinking so, but it is essential for steps to be taken by Government that will restore confidence in this country, not only in the people who are in it but confidence in the country by people outside it who are honestly interested in it and see the necessity of the confidence that we must have. The wise expenditure of a million pounds would give a restoration of confidence which would probably have far-reaching effects in restoring our prosperity. On the other hand, failure to restore confidence may result in the wasting of a million pounds. Therefore I say that the first essential in our programme of reconstruction is the restoration of confidence. From an economic standpoint that, I suggest, can only be secured by a policy that will lead to a re-establishment of our land values. The difficult financial situation of to-day is very largely the result of the depreciation of land values in Kenya. Land is the only security people have for their commitments, and it is impossible to assist them very far towards recovery until that security has been re-established in its value. That, I suggest, can only be done by Government re-affirming its intentions of a few years ago to carry on a policy that involves the development of white settlement in this territory. Unless and until Government makes its position perfectly clear on that issue, I see little chance indeed of any return of prosperity in this territory. There may be a few who still believe the development of white settlement in this territory constitutes a menace to the native population. I cannot believe that such is the opinion of our Government. It is very necessary, however, that Government should at this stage make its position clear on that issue, because rightly or

wrongly the feeling has gone abroad that Government does not intend to further the development of colonization in Kenya. That impression has been strengthened by the story passing around the country in recent weeks, a story that could only be believed by people who have doubts of Government's intention in the matter. The story is that a very senior officer of Government, who has recently left this country, was very definitely of the opinion that it was unnecessary for Government to pay very much attention to the opinions on this side of the House because white-colonization was on its last legs, and he is reported to have said that it may take twenty years but in twenty years' time the last white settler will be out of this country. In view of the widespread belief in that statement made by a senior officer of the country, it is very necessary indeed that Government should declare its intentions in the matter of further white settlement. I strongly support the case put forward for providing the Land and Agricultural Bank with a larger amount of capital than has already been provided, and in doing so I should like to emphasize that it is certainly not the intention of hon. Members on this side of the House in advocating it in any way to depart from its policy of giving aid to agriculturists only against first-class security. It is not our intention in any way that it should depart from a policy of absolutely sound finance, but we believe that it can, while obtaining first-class security of its finances, find a much wider scope for investment of money for its development of the country than it can possibly do in its present restricted sphere. Also, I suggest that Government has been failing in its understanding of the country's problem in so confidently anticipating in the revenue estimates the amount of £40,000 in Customs duty next year on the importation of wheat and wheat products. That shows that Government has not given very careful consideration to the position of the wheat industry. I earnestly hope that in the course of the Select Committee work Government will re-open the question of its intentions in that respect. The promulgation of the Cleansing and Fencing Bills I regard as essential to help forward our reconstruction programme next year. I was astonished to find that Government a few days ago in reply to a question gave the answer that because of shortage of funds it does not intend to bring these two Ordinances into operation next year. I am still in doubt as to whether they are Bills or whether they are Ordinances. Possibly a definite answer could be given this morning as to whether these Bills have received the Royal Assent. The dairy industry is one of the branches of agriculture that has shown it is sound during the crisis through which we have been passing, and I feel certain the hon. the Acting Director of Agriculture will in the presence of the public emphasize to

Government how necessary it is that that branch of the industry should be fostered in the immediate future because of the important bearing it has in our agricultural matters.

Lastly, Sir, under this heading of reconstruction I should like something definite from Government as to what they are really doing in the Native Reserves to encourage native development. The hon. the Attorney General the other day gave the House an assurance on the subject that struck me as vague in the extreme and I really should like to know in a concrete form what Government's works are in that direction. As I see it they are neglecting the Native Reserves in a most scandalous fashion. As the Rt. Hon. Member for the Rift Valley has pointed out, in the Masai Reserve you have a territory as large as Denmark with immense numbers of stock of absolutely no economic value to the country. It may be retorted that they do supply a certain amount of the meat of this town but if that can be regarded as a real economic return from locking up nine million acres and as a reasonable economic return from 600,000 head of stock then of course Government's views on what is an economic return on land and stock is so different from mine that I fail to understand their attitude. Also I should like to ask what is their economic programme in the Ukamba Reserve; if they are doing as much as they would give us to understand they are doing for native economic development can I be told what has been done for the economic development of the Ukamba Reserve? From previous statements of Government I understand that that Reserve has been destroyed because of the manner in which it has been overstocked by the natives and proposals were put up years ago for a means to relieve that overstocking. Now we are told because there is a certain shortage of money that nothing can be done about the erection of the meat factory that was regarded as essential to relieve that overstocking and restoring that Reserve to some economic value.

In conclusion, Sir, my attitude towards the situation with which these Estimates deal is that the situation is one demanding a great national effort and that no stone should be left unturned by Government in securing the co-operation of all who can help towards meeting the situation. In so far as these Estimates reflect faith in the recuperative powers of Kenya they certainly have my support, but in so far as they express a policy of merely cheese-paring down our expenditure and failing to reflect a progressive programme of reconstruction I entirely disagree with them. The situation I regard as one demanding a bold national effort which I do not see reflected in these Estimates but which certainly is embodied in the proposals which Members on this side of the House are placing before Government. We have endeavoured roughly to outline them and they will be put before Government in a more

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elaborate form in the course of our Select Committee work. If Government's attitude towards these proposals is sympathetic, well and good; but if it is the considered opinion of Your Excellency that the advice of your unofficial advisers on these issues is not sound then I for one shall have to consider whether the situation is not one that demands my placing my resignation from membership in this House in the hands of my constituents and getting their opinion as to whether there is any good purpose served in our further participating in the deliberations of Government.

The Council adjourned till 10 a.m. on Thursday,  
the 27th August, 1931.

THURSDAY, 27th AUGUST, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Thursday, the 27th August, 1931, His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

### MINUTES.

The minutes of the meeting of the 26th August, 1931, were confirmed.

### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

BY THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN):

Forest Department Annual Report, 1930.

Game Department Annual Report, 1930.

BY THE HON. THE ACTING DIRECTOR OF AGRICULTURE (MR. H. WOLFE):

Agricultural Census, 1930.

BY THE HON. THE ACTING DIRECTOR OF EDUCATION (MR. E. E. BISS):

Education Department Annual Report, 1930.

### MOTION.

#### ESTIMATES, 1932.

HIS EXCELLENCY: We will now continue the debate on the Estimates.

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE: Your Excellency, I sincerely trust that the optimism as expressed in this Budget may be realized. I am quite sure, Sir, that the present time is a most inopportune one to ask for monetary grants, but as I have done in the last eight years—in the good years that we have had—I feel it my duty to ask that further consideration should be given to the Coast area. Our late Governor, Sir, once stated that the Coast received its fair share of all there was going. I cannot find how those figures can be substantiated. As far as I can see a great deal of what we have got we have got where the chicken got the axe: we were given a large water supply at Changanwe costing a



large sum of money—this unfortunately fell down; a large sum of money was spent on the Takaungu Causeway—this unfortunately was washed away. The Public Works Department held a departmental inquiry into this and came to the conclusion that they were not to blame. It was therefore presumably, as the natives would say, *shauri la Mungu*, which means an act of God. I am of opinion though, Sir, in this matter, that had a public inquiry been held into this catastrophe the Almighty would have been largely exonerated from the blame.

We have been promised, Sir, in the past, assistance with our fisheries and our agriculture. This assistance has been entirely withdrawn and, Sir, in the present state of the country, I maintain that had these industries been started in the past we would have been able to contribute very largely to the revenues of this country. We could have supplied fertilizers to the planters; we could have supplied grain to the areas which have been devastated by the locusts.

Now, Sir, in regard to fisheries, we all know the interest you have taken in these in the past and we well remember, Sir, the effort that was made to open up a trade in dried fish with the Seychelles in this country. Unfortunately, Sir, the method of curing those fish did not suit the climate here but I am convinced, Sir, that if the proper method of curing was carried out there would be a large market here for this commodity. At present, Sir, a large amount of the fishing is being done by the Japanese. It seems to me an extraordinary thing to say, Sir, but it is true. The Japanese have brought trawlers from Singapore and are taking up the fishing now but they are quite unequal to supply the demand which is growing every day. Fish is also imported from England and from South Africa in spite of the enormous amount of fish we have in our own seas.

With regard to agriculture, Sir, we have been living for many years in the hopes that something would be done to assist the Coast agriculture. This country, as we have been told so many times, depends entirely upon agriculture, but what has been done at the Coast to help agriculture? Nothing or very little. In connexion with that, Sir, I should like to quote a few figures showing the various imports into this country of which I maintain, Sir, the majority, if not all, could have been produced on the Coast. Take for instance, Sir, rice. The import of rice to this country and partly to Uganda for last year amounted to the enormous sum of £160,000 odd. Every ounce of that rice, Sir, could have been grown on the Coast. There are many areas there very suitable for rice-growing and there is the whole of the Tana River which is equally suitable for it. Wheat meal and flour: I will not worry with that. Sugar: £23,000 worth of sugar was

imported but we hope, Sir, that with the Ramisi Sugar Factory going in full swing next year we may reduce this. Ghee, £21,000 odd: now, Sir, some years ago when I was up at Lamu there was a very progressive tribe there called the Galla who go in very largely for cattle. I tried to get the then Chief Native Commissioner to interest himself in this matter, but failed. Last year at the Show at Lamu our energetic and capable Veterinary Officer, Mr. Gulam Hussein, took up a separator there and showed the Gallas how to use it. They were very interested in it and were quite ready to take it home but I fear that since then little or nothing has been done. These people produce some of the best ghee in the country and it is absurd to say that with the ghee production at Lamu, and also at Machakos where there are thousands of head of cattle, we still have to import £21,634 worth of ghee. Spices, £17,000 odd: I do not know what we can do in the way of spices, Sir, because nobody has experimented but I cannot see why we should not make some use of Amani in this respect. I do not know whether any members of the Agricultural Department ever visit Amani and see what is going on there. There are various other things, Sir, such as fresh fruits, dhall, millet and pulse. Fresh fruit is over £9,000 for one year; that can be produced in this country and that enormous sum of money now going out of this country might stay in it. The importation of rice alone has increased from 142,153 cwt. to 191,234 cwt. in the last five years. I maintain it is a slur on the Agricultural Department and on the Administrative Officers of those areas which can grow these things that more is not grown there. I consider the capability of an officer should be gauged by the amount of produce and the increase of produce he can produce in his area.

For some years we have been promised a combined hospital in Mombasa. A sum of money—about £14,000—was voted some years ago for preliminary expenses but was spent elsewhere. I understand that now this matter is receiving your consideration.

This year we were going to have a small sum of money to open up the motor-trade for carrying mails, etc., between Mombasa and Malindi. The estimated revenue from this was put down at £400 but because the cost of the lorry amounting to £250 was not expected to be recovered this year this service was not allowed to be started. Had we applied for a branch line, Sir, we should probably have got it and it would have cost a good deal more. I note though, Sir, that it has been possible to find £130 for sweeping out the rubbish of Kitale.

Our roads, Sir, still need much improvement. I understand now that the portion running from Freretown north on the Malindi road on which a large sum of money has been expended has now been found not to be a road at all but only a

right of way, in consequence of which a new road has now to be made. I trust, Sir, that this new road may be let out to a contractor to make.

Our sea communications, Sir, are worse than they have ever been, and in this connexion I should like to ask whether some arrangement could not be come to with Zanzibar who own two steamers to run a monthly service up to Lamu and back. Zanzibar imports a large quantity of meat from Lamu. Lamu sometimes is cut off from Mombasa for six weeks and more. A road built from Lamu to Meru or Isiolo would bring Lamu within four days of Nairobi.

Our ferry services, especially the Likoni one, are not yet up to date. I trust, Sir, that this matter as to who is to run this ferry service has received consideration and if it has not yet been decided, Sir, who is to undertake it, and if it cannot be undertaken by anybody here, I trust it will be let out to private contract.

Referring to Coast agriculture again, I suggest that a grant should be made from the agricultural vote and that a Deputy Director should be appointed for the Coast independent of Nairobi and that he should administer his money.

I trust, Sir, that a considerable demand may be made on the Colonial Development Fund for these very necessary things which I have mentioned and if my brother Members on this side and up-country people have no desire to use this Fund I hope they will have no objection to allowing the Coast to do so.

One word more, Sir, and I have finished. It is with reference to the suggestion of a cut in the salaries of officials. At the recent election, Sir, I wrote personally to most of the Government officials in my area and told them that I was opposed to any such thing being done by Elected Members. I did not think it was our place to do it, but I did think, Sir, it might be up to Government servants themselves to suggest such a thing. Imagine, Sir, what a splendid thing it would be throughout the British Empire supposing the Government officials of Kenya were to decide to hand over fifty per cent of their salaries. (Laughter).

THE RT. HON. LORD DELAMERE: Your Excellency, before anybody else speaks may I make an explanation of something I said yesterday? It only takes two minutes and I think it ought to be done. I happened to use the phrase "it would be impossible to provide any more Government houses." I understand that that has been misunderstood to have something to do with Your Excellency's residence, and of course it has nothing whatever to do with it—it meant Government houses for Government people.

HIS EXCELLENCY: I understood that.  
THE RT. HON. LORD DELAMERE: But it has been misunderstood by certain people, Sir, and I thought I ought to explain.

HIS EXCELLENCY: I do not think anybody who heard you speak will have misunderstood you.

CAPT. THE HON. J. L. COTTER: Your Excellency, most of the points in the Budget have been already gone over but there are one or two I think that might be stressed. One is the expense of the King's African Rifles here. I understand that the chief reason why we keep the War Office at the position they occupy is because the War Office at home insists upon our doing so. I would suggest that if the War Office thinks it necessary they should be asked to pay for it as well. As a matter of fact the battalion that is here in Kenya, of which roughly one company is at headquarters in Nairobi, another company is round Meru and Nanyuki, and the remainder is spread in small posts along the border where it is a matter of external defence. I submit that they are quite useless for that purpose, quite inadequate, but I suspect in the northern areas they are entirely doing police work. Now, Your Excellency, when I was a youngster I was a subaltern myself: I joined the army in about 1900. The pay I got then—and the pay to-day is not very much higher—was 5/3d. a day, but I notice here that young subalterns of the King's African Rifles draw the figure of £550 a year, plus in some cases duty pay of £50 a year, which I do not understand at all, on the various heads here. I submit that it is well known that of all professions in this world the military profession is the lowest paid because I imagine they are supposed to have the thickest heads—that is the only reason I can think of—but I cannot see why we should pay our subalterns five times as much for service in this country than was paid when I was a youngster. They may be five times as good but I am doubtful of it.

Another point that I would like to get on to, Sir, is the present policy of the importation of eleven Administrative cadets. These young men cost this country, or will in future, if you count their various allowances and time for leave, about £8,000 a year, as far as I can make out. At the present moment we import these young men who are in entire ignorance of the country and for at least three years are of no practical use in this country. Meanwhile, there is growing up in Kenya to-day a body of young men to whom Government give no opportunity whatsoever of taking part in any profession except that of farming. Everyone of the minor posts in every department of Government, as far as I know, we go to a Portuguese colony for and import

Portuguese subjects to take the minor clerical posts. Meanwhile, Sir, we have a great body of youngsters in this country and town to-day of seventeen and eighteen years who to my knowledge are getting £6, £7 and £8 a month. I feel that if we continue to adopt that principle we are artificially making a "poor white" question here. A great number of these young boys in this country have been very well educated, and belong to the ordinary business class that we have at home. Their fathers and mothers come from that class. Yet here there is no opening whatsoever for those youngsters. To my mind the administration of this country should be filled to as large an extent as possible by youngsters growing up in this country. They should take first the positions of junior clerks, learners in all branches. I cannot imagine any Britisher going to a Portuguese colony and asking for a post having any chance of getting it. What I am coming to is our own people first, because these people are a charge on the country through unemployment at the present moment. We have two hundred youngsters in this country without employment, and the very point I have mentioned is one of the chief reasons for that.

Another point I wish to bring up, Sir, is that we are eternally importing experts and ever since the war we have done so; the locust expert, the drainage expert, the expert on Government buildings, an expert on water engineering. I fail to see that we have gained any benefit from any one of them. One thing I do like about this Budget is that I see no provision in it for the financial expert to come out who I understood was coming out. If we are going to send to England for one, that is about the last country in the world to which we should send. Considering the terrible chaos we have got in England at the present moment it is absurd to ask England to send a financial expert here.

Finally, with regard to the frequent statements that white settlement will in a few years be finished. I have read a great deal of Colonial history, it is a hobby of mine, and the same remarks were made in South Africa when the 1820 settlers attempted to get home to England. They were unable to do so, because the Governor at the time, Lord Henry Somerset, made quite certain they would not go as none. Then, again, I came across our most successful colony part in the whole of the Empire. Years ago my regiment took part in one of the Maori wars of New Zealand. One of the officers wrote a book, and while it was badly written I still remember the part in which he said there was in New Zealand at the time an application from the various settlers to Government that a frigate should be put at their disposal to send

them back home to England. The Governor's answer, which is the only reason why this brilliant settlement exists to-day, was that each settler should put up £30 per head to go home, but they had not got the money. I mention this because every colony has been through these stupid ideas that settlement will peter out. Do you realize that we are already in our third generation here? I have among my friends in Nairobi to-day two young fellows—they happen to be twins—and if there could be better samples of manhood in England I should like to see them. They were born on a farm at Kinangop—I remember the day they were born—next to my farm, and they would challenge any pair in England, Scotland, Ireland, or any part of the Empire.

With regard, Sir, to the Dipping and Fencing Acts, I regret that this matter has been dropped because I think it is necessary for the changeover in farming far more than most people realize, especially in the Usiu Gishu, Nakuru, Kitale areas, that this should be gone on with. Unless the Land Bank is able to help—and it was originally formed for this purpose—farmers will not have the opportunity to turn over from a poor type of farming and improve. It happened once in California in the wheat farming, a one-crop farming always breaks down, whereas everybody knows that mixed farming is the best. I hope we can get the funds for this bank, and they should be available for use in certain parts such as Usiu Gishu and Kitale as soon as these Acts can be brought into operation.

THE HON. W. C. MITCHELL: Your Excellency, I must say that an examination of the Budget inclines me to agree with other speakers on this side of the House, that it seems to point more to a contraction of services rather than a cheapening of services. As a temporary expedient no doubt a contraction of services is the cheapest course to follow in achieving some sort of economy, but I do not think we are dealing with any temporary expedient at the moment, as I do not believe that any reversion to our previous prosperity is likely to be arrived at by a reversion to previous price levels. We have to cheapen our costs of production and of services to arrive at or return to our original prosperity. The theory of some critics is that we must return to the previous price levels because the world is unable to go on producing at a loss. We are quite prepared to admit that, but I maintain that cheapening of services and deflation of all values are much more likely to go a long way towards making present prices profitable, than are we likely to see a reversion to former price levels. I think that probably there will be some slight recovery in prices, but I think it will be at least unwise to assume they are likely to return to previous levels.

Having that in mind, Sir, I have endeavoured to find in this Budget some indication that Government is endeavouring to cheapen the cost of services or to cheapen the cost of production by stimulating development and production. I must say that that search has not been altogether crowned with success.

Dealing more particularly with specific items, and turning first to revenue, I must confess that I am prepared to admit that no one can probably say with any sort of definiteness what revenue we are likely to derive from Customs next year, because so many factors enter into the situation at the present moment it is impossible entirely to determine to what extent they will affect our trade in 1932. I admit that, what I think the Customs revenue as given in the Budget is undoubtedly inflated. My reason is that I endeavour to put two and two together and make four rather than five. We examine the position of the European crops. Not only have we had damage by locusts, but the area under crops is in some cases, particularly wheat, considerably less than last year and the values we know in all lines were very much deflated. The sisal business is practically non-existent. The coffee crop is estimated to be some 75 per cent of the previous figure, and wheat again is very much down in value. Again, take the native areas. Locusts once more have created a terrible amount of havoc in certain areas, and in addition there is a large number of natives out of employment who were previously employed on sisal estates and in other activities. Consequently the purchasing power of Europeans and natives alike for the next year, as far as I can see, Sir, is likely to be considerably less than it has been during 1930 or 1931.

There is one item, I notice—wines, spirits, beers and ales—which is estimated to account for a revenue of £200,000 next year. I understand it to be a fact that the falling off in revenue from intoxicating liquors is less than the falling off under any other head practically in the Budget. Without being a rabid teetotaler, I must say that I am sorry to see that is the case, but I do think that from now on the falling off in the consumption of intoxicating liquors will be progressively noticeable.

Dealing with another item of £40,000 from grain and flour, I understand that approximately £12,000 is accounted for by wheat and wheat products. I am very sorry to see, Sir, whether it is correct or not, that item appear in the Estimates at all. I think the time has arrived when we should take up the stand that the only one thing to be done in this country is to prohibit the importation of wheat and wheat products. What are the actual figures, Sir? For the half-year ending June last the importation of wheat and

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wheat flour amounted to 35,173 cwt., with a value for Customs purposes of £20,546. The importation of that quantity of wheat and wheat flour necessitated the export of 25,972 bags of wheat which would otherwise be milled and consumed in this country and would take the place of the imported article. The export value of East African wheat is £5,194, showing a loss on the transaction of £15,350 for six months or of £30,700 for twelve months, less the amount of Customs collected on that amount of wheat, £8,863, leaving a net balance against the country of £21,837. That is the amount, Sir, that we are paying for the privilege of supporting the wheat industry of some other country in which we have no material interest, instead of supporting it in our own country in which we have a very material interest indeed. We have been informed in this House that there are certain reasons why the abolition of these imports is rather difficult. A reference was made to the existing law. Well, Sir, if the needs of the country demand the abolition of the importation of wheat I cannot see why the existing law should possibly stand in the way. There is no wheat industry in Tanganyika worth talking about; if we close the doors I do not think there they would have any grievance. There is no industry in Uganda at all. If we prohibit the importation of wheat into Kenya it does not necessarily mean and would not in any way place an embargo on the importation of wheat into the neighbouring colonies. Only a few days ago, Sir, we were considering the road versus rail Bill. That was legislation that was introduced with the specific purpose of protecting our Railway which has been built by the agricultural industry, and if that legislation was justified for protecting our Railway I think for the protection of our wheat industry. Before I pass on a constituency largely consisting of consumers, obviously in the introduction of such legislation the protection of the consumer would be a comparatively simple matter.

Turning to Table XII, I see an amount of £25,000 down as stand premia for farms. I hope, Your Excellency, that Government will not alienate any new Crown Lands during 1932. As I see the position, Sir, there is a large quantity of land already in the hands of settlers redundant to their requirements and available for all classes of farming at reasonable prices. I hope that Government will take an early opportunity of devising some scheme for assisting new settlers to take up some of that redundant land. It will be helping two individuals at once, both the old and the new settler, and if we think over the times through which our

old settlers have passed we can say quite definitely that they are entitled to as much assistance as we can give them in that direction.

Dealing with expenditure, Sir, I am particularly disappointed to see such a big cut as £26,000 in the Agricultural Department. If there was a time when we wanted our Agricultural Department to be as fully developed as possible I think, Sir, it is in times such as these. I believe we are all agreed that Closer Settlement is a desirable accomplishment or desirable aim for this country. Closer Settlement will bring in its train numerous problems and will demand assistance from the Agricultural Department which nothing but a well developed and well-informed Agricultural Department could possibly afford. I think, Sir, that that is a department that should even be expanded beyond pure agriculture—I should like to see it dealing not only with agriculture as such but with Closer Settlement, with industries and so forth, and be somewhat in the nature of a Department of the Interior.

Under the Heading of Trade and Information Office there is a sum of £4,800. The more I think about the publicity we need for this country the more I am convinced that our interests would be best served by an office exclusively devoted to Kenya. I believe, Sir, that the psychology of selling Kenya is much the same as the psychology of selling soap. I cannot see any manufacturer spending large sums of money on advertising shall we say Blue Ball Soap and then setting up a selling office or shop in which they not only stock Blue Ball Soap, but Yellow Ball Soap and Red Ball Soap, and so on. A customer comes in, goes up to the salesman and says: "Oh, I should like to see some of that Blue Ball Soap that you are advertising; I believe it is a very good soap." "Oh, yes," says the salesman, "Blue Ball Soap is quite good, but of course we have some Red Ball Soap which is very good too, and so is Yellow Ball." The result is that the customer is left utterly in doubt as to whether Yellow, Red or Blue is the better soap—and I think the same thing might be said of visitors to our East African office. They should not be subjected to any sort of doubt which may be created by an obligation, a definite obligation, on the part of the staff that they have to speak in favour of every East African territory at one and the same time—it cannot be done. I should like to see an office devoted entirely to Kenya; and, I know that there would be no difficulty if that were established in saying everything that can be said for Kenya that would invite and would tempt people to come to this country, for we have got practically everything to offer that can be offered in any other part of the

world and a good deal more than most. We have a congenial climate; we have a healthy climate; we have a country where the cost of living is becoming cheaper and cheaper as time passes; we have almost a self-contained Colony as far as food is concerned at the present time; and as a country for retired men and women from whatever walk of life you like to mention I think that Kenya is an ideal country, and once having devoted ourselves to the publicity for Kenya we shall get travellers and other people coming here who will eventually settle. That is entirely apart from the purely settlement policy which we should adopt in connexion with that office.

I notice also in connexion with this office, Sir, that personal emoluments are not shown separately. I think it would be very interesting to know of the total sum expended how much is available for real publicity and how much is absorbed by personal emoluments.

Arising out of the question of the cost of living, Sir, to which I made a brief reference, I am sorry that the Government has not seen its way to make a graceful return for the terms meted out to Government officials in 1924, I think it was. I say that, Sir, with some diffidence as I represent a constituency in which a number of Government officials are resident but I feel, Sir, that the time has come when the consideration of a reduction of salaries is entirely justified. It is very difficult to know how we are going to pull through the present time of depression unless we do seriously consider every possible channel of reducing costs. The total of pensionable and non-pensionable personal emoluments appearing in the Budget is, I believe, £1,114,000. A graded cut which would average approximately 10 per cent on that figure would not only help us to enlarge and develop our Department of Agriculture as I feel is necessary for the future of the country but it would avoid a very large number of retrenchments which I fear otherwise will be unavoidable, and what perhaps is more important than all I think it would place no undue hardship on anyone. Other sections of the community, we know, have suffered already: those engaged in the farming industry—I fear their remuneration has disappeared almost entirely—and of the salary and wage earners in towns I think it is fair and reasonable to say that cuts averaging from 15 to 20 per cent have already taken place.

Finally Your Excellency, I hope that when this Budget returns from Select Committee it will indicate a little more definitely that we think the right policy in times of depression is to cheapen costs and to stimulate production and settlement. I think if we do that, Sir, we need have no fear whatever

about the ultimate destinies of this country whose interests we all have so much at heart. I think that our aim should be to double our population and treble our output during the next five years. I beg to support the motion.

COL. THE HON. W. K. TUCKER: Your Excellency, I am rather glad to follow the last speaker because we enjoy at least one characteristic to the exclusion of other Members of this House is that while they have either sought or been pressed into somewhat permanent service in this House we are, so to speak, temporarily lifted out of an obscurity into which we shall very shortly and very gladly return. Whatever we are, Sir, whatever constituency we temporarily represent, we all find on joining this body that we are regularly attuned to the policy and to the attitude of the more permanent Members. I feel that there is a considerable significance in making this point at the moment when Your Excellency has been and must of necessity judge how far or how little it is desirable to ask for and obtain the co-operation of this side of the House.

Like other Members, Sir, I have been inundated with suggestions from the people I temporarily represent regarding the various items in the Expenditure Estimates. With one exception I shall leave all those suggestions to the Committee stage because I have been asked to devote such few minutes as I am allowed more particularly to the revenue side of the Estimates. But there is one vote, Sir, upon which I wish to make two or three observations, and that is the Pensions vote. It is the one item, Sir, which is absolutely uncontrolled by this House, an item which is growing year after year to a point where it is becoming intolerable, a vote which is the more burdensome because it is totally unprovided for. In that connexion we are all, I am sure, very gratified to find that in the Terms of Service Commission now sitting there is a singular amount of harmony and a singular amount of progress being made in evolving some contributory scheme for the future which will to some extent cry a halt to this ever-increasing figure, this ever-increasing burden, on the annual expenditure of the country. Now, Sir, this is the only opportunity in the year in which certain classes of grievances can be aired. I make no apology for stating, Sir, that particularly in this town, composed as it is so largely of Civil Servants, there is a growing feeling that the creation of pensionable posts is being carried out on very anomalous lines and without that method which such an important function requires. I want to make it quite clear, Sir, that I am not pleading for one more pensionable post, but this Budget does disclose, as others have disclosed, marked anomalies which should be brought to the notice of this House. I

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do not propose to mention any particular department, Sir, so much as to discriminate between the class of person who is enjoying this privilege. There have been one or two, if not three, recent movements in the country to secure one class of Civil Servant for this country perhaps more than any other. That is the scientist, the research officer, to whom the hon. Member more or less referred yesterday when he made a virtue of the fact that research was not being disturbed. We have men in this country who have been here many years; men to whom we appeal, and I think we may say we never appeal in vain, for research into sudden difficulties that may visit us, men who enjoy the confidence of the country to a marked degree, men who have waited and waited in vain for their inclusion in the pensions list, yet they belong to departments—and I am not referring to one only—where they see blocks of men made pensionable, men who are no doubt worthy but yet can be more easily replaced, and the problem of continuity does not affect them in the same way that it does the research work of the scientist more than any other branch in this country. Another point under this heading, Sir, and one for which I believe I have the support of this side of the House entirely, is a request made in the same way that you were asked yesterday regarding that no further pensionable posts shall be created, at all events until we have disposed of this Budget. Lastly, on the subject of pensions, we would suggest to Your Excellency that if the gesture made yesterday in regard to a cut in officials' salaries is to eventuate, then, Sir, you and your Government should at the same time consider how far it is possible to apply that cut to the pensions list.

I propose now to confine myself to the revenue side of the Budget. There is one small item worth mentioning under the Post Office vote. At a public meeting last week a letter was produced from one of the leading stamp collectors of the world on the subject of picture postage stamps. In case the Postmaster-General is not aware of it, I would point out to him that quite apart from the valuable publicity which those of us who advocate picture stamps regard as inevitable after their adoption, this expert forecasts that in the first year of the adoption of these stamps there would be a purchase of no less than £2,000 worth of those stamps by the collectors of the world. I suggest to you, Sir, that little fishes are sweet, and that amount of money is a factor to be taken into consideration before such a proposal is turned down.

The particular item in revenue which I have been asked to examine is that of Customs revenue. It has undoubtedly

excited far more comment than any other item in the Budget. The public, while paying tribute as has been done in this House, to the judgment of the hon. the Commissioner of Customs, cannot fail to observe that in 1930 there was a shortfall of £140,000 in his estimates, and that this document now before us discloses an anticipated shortfall of practically the same amount, even after the Customs revenue for the last six months of this year has been inflated by the inclusion of the consumption tax and other taxes which in your wisdom were imposed, Sir, but a couple of months ago. It was therefore considered desirable, I hope helpful, to endeavour to collate the views of the commercial community in this town during the last few days. The leading houses in Nairobi were invited to express their opinion on these 1932 figures based on the trend of their business, both past and present and as far as they were able to look into 1932. That inquiry elicited something like thirty, not formal replies, but well-reasoned letters disclosing an appreciation on the part of the community of the general economics of the country as distinct from those affecting their own business. The hon. the Commissioner of Customs did us the service two days ago to attend the Chamber of Commerce while those letters were being examined and analysed, and very frankly and fully to discuss with us the views therein expressed. It was a private meeting, and it is not for me to make any mention of what the hon. gentleman said. It may be that as a result of that meeting he has slightly varied his views. If so, it does him no discredit but at the same time may imply a compliment to the Chamber of Commerce. But I am entitled to say this, that we left that meeting with an impression that the hon. the Commissioner of Customs did not regard his estimate of Customs revenue for 1932 as necessarily binding the Government, at all events finally in the amount of the expenditure estimate that they published for the consideration of this House, whereas we feel on this side of the House, and I am sure the country does, that if a case could be made out to prove that the draft Customs revenue estimate is unduly high we feel that with more reason we can demand a correspondingly further reduction in the proposed expenditure for 1932. It is understood, Sir, that it may be helpful if in the briefest possible way I express the opinion of a few of the leading commercial houses in Nairobi simply by way of a single sentence without mentioning names. First, a very important house in Nairobi estimates 25 per cent less imports than in 1931. Another firm, equally important, says: "The ratio of luxury or high-rated goods will continue to fall. The progressive decrease of 1930 and 1931 will continue in an 'intensified degree' in 1932." The largest motor car dealers said that the 1931 sales of higher priced cars are

only 25 per cent of 1930, although they add that in the case of Fords the trade is normal. A big shipping company of traders say: "Far less trade in 1932. Hand-to-mouth the only sound policy." Large exporters and importers urge a 15 per cent reduction or a total of £120,000 in the Customs estimate. The next firm said: "Still further curtailment of purchasing power in 1932." A luxury trader, a large one, said: "Sales very much down; expect further drop in 1932." In the oil trade one company suggests a drop of 25 per cent in motor oils, but it is only fair to say their competitors anticipate as great, or greater, trade during next year. Another big firm states: "If commodity prices remain constant, sumers will only have the wherewithal to purchase the bare necessities for existence." And so one could go on. I may say that these inquiries ranged from bar iron to blankets, cotton goods, chocolates, motor cars, suitings, Sheffield goods to scents, and so on. I would submit that so far as I have been able to find out during last week-end equally pessimistic views prevail in Mombasa, where among other factors in the next few months—possibly the next few years—even if larger stocks are held they are going to be held by fewer people. Three, if not four, very large firms in Mombasa recently closed down who carried a substantial class of high-rated Customs duty articles in the past. So that looking at it from a business point of view, and that is the way we have got to look at this—we have got to apply the principles that we apply in our own businesses, and I venture to forecast that the Select Committee will be justified and will probably do it in taking a very considerable slice off the figures as now presented, followed perhaps by the system we employ in business of creating a panel of governmental demands which are not quite so urgent as others and to agree that items for those demands may be considered as and when the Customs revenue eventuates, if and when it does eventuate, in keeping with the original figures produced. I have been asked to submit to Your Excellency the desirability of the hon. the Commissioner of Customs entering into this debate before all the Members on this side of the House have concluded their remarks. Indeed, it is hoped by hon. Members here that it may be convenient for him to speak when my remarks are concluded. If so, or at all events when he does speak, I would like him to answer these three questions:

- First, despite the drop of £18,000 in May and June from the average of the May-December anticipations, does the hon. gentleman still believe he will get his 1931 revised figure?
- Second, does his 1932 estimate make full allowance for the marked falling off in liquor consumption?

Third, has he taken into account the growing need, and the growing pressure for the virtual prohibition of wheat and wheat flour importations?

Just two or three general remarks in conclusion, Sir. I started by referring to representations I have had from Nairobi itself, and I would like to conclude with their views as I received them. In the first place Nairobi feels, as the Noble Lord expressed it yesterday, that we should as far as possible leave the past behind. Nairobi feels we should renew our offer of complete co-operation to Government in this crisis, but at the same time Nairobi feels we should get real co-operation, complete co-operation, the sort of co-operation that the hon. the Attorney General defined last week in introducing the Co-operative Societies Bill. So that on the one hand Government may reasonably expect Members on this side to make out a case, and that on the other side Government must be expected to make out a complete case before they get our acquiescence in their point of view. Nairobi, Sir, also shares the usual business principle which applies on the markets of the world, and which is equally applicable to this Budget and the financial position of this country, that the wise thing in a crisis of this kind is to make certain that you touch bottom. When you have touched bottom, and only when you have, can you begin to build up, where it has to be rebuilt, the market or the financial position towards the prosperity which is so badly needed. The other principle applying to business also applying to our situation this morning is that of action and reaction, and in that respect I do hold a very strong view, which to my mind is the only bright spot on the horizon, a view strengthened by my last visit to England, that difficult though our problems may be, smaller though they may be in many respects than the problems concerning our friends at home, we have this one advantage—that once the tide does turn and provided we put our house in order as has been indicated on both sides of this House, our reaction will be very much quicker than that of the older countries, and that in itself should inspire us to effect the very greatest economies at the present juncture in the knowledge that that bright spot is before us.

*The Council adjourned for the usual interval.*

*On resuming:*

HIS EXCELLENCY: It may interest hon. Members to hear that I have just had a telegram from the Secretary of State saying: "His Majesty has this day entrusted to me the Seal of the Colonial Department"—the message is signed "J. H. Thomas."

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THE HON. THE COMMISSIONER OF CUSTOMS (Mr. G. WALSH): Your Excellency, it seems to me that it would be well if in this formal debate I dealt with the question of the Customs Revenue Estimates on general lines, leaving details to be discussed in Select Committee. As hon. Members obviously are well aware the framing of Customs Revenue Estimates is always a difficult matter even in normal times and the difficulties are accentuated in this country because although Kenya and Uganda are one unit for Customs purposes it is also necessary to prepare Revenue Estimates for both territories separately. The Customs Estimates necessarily involve a good deal of long range guesswork and although arithmetical computations are utilised as much as possible there remain many variable factors which cannot be computed and must be estimated. I cannot therefore be called upon to convince this House that the Customs Estimates are not largely guess-work, nor can I promise that the Estimates are in fact correct, but what I hope to do is to convince hon. Members that all the important factors have been given due consideration and that the resultant estimate as shown in the printed Colonial Estimates is not a wild guess but is in fact a reasonably prudent forecast of what is likely to happen in the matter of revenue collections up to the 31st December, 1932, or sixteen months hence, long before the crops upon which our revenues depend are even sown.

It may be convenient if I enumerate some of the main factors which must be given consideration and explain the manner in which these various factors have been weighed. They may be grouped under two main heads—world conditions and local conditions.

So far as world conditions are concerned, if I also may use a figure of speech, Sir, a flat spin cannot continue indefinitely: either the machine rights itself with sufficient flying speed to enable it to climb from the lower level or it ends in irretrievable disaster. A proper manipulation of the controls and the avoidance of any feeling of panic are essential in circumstances such as these. The Government is not anticipating national disaster; it has not budgetted with such an eventuality in view. It considers that as by the latter part of 1931 the period of acute depression will have been in existence for some two-and-a-half years it is reasonable to assume that the world-wide attempts to remove the causes of the present depression will at least have been partially successful and that an upward tendency should begin to assert itself before the end of next year. For this reason 1930 figures have been taken as some guide to 1932 prospects—that is, on the basis of nine months depression gradually improving to three months of more or less normal trade.



As regards local conditions, it is impossible to estimate the revenues likely to accrue to Kenya without having regard to the fact that Kenya is the main distributing centre for Uganda and also for a considerable part of Tanganyika. To illustrate this point it is only necessary for me to say that during the earlier months of the present year over 80 per cent of Uganda's requirements were purchased from local stocks in Kenya, principally at Mombasa, and that every year imported goods to the value of more than half-a-million pounds sterling are purchased in Kenya for transmission to Tanganyika, the Customs duty involved, amounting to something in the neighbourhood of £100,000 a year, being transferred to that territory under the Customs Agreement of 1927. The entrepot trade is obviously therefore, Sir, valuable both to the country and to individual traders but it does complicate the Customs Estimates by introducing the additional factor of what proportion of the actual total amount collected has subsequently to be allocated to the other territories.

The question of stocks on hand has also a very direct bearing on this aspect of the matter. Kenya being the main distributing centre, a considerable portion of the stocks estimated to be required in Uganda and Tanganyika are held in this country. Stocks at the moment are abnormally low, the value of goods in bond on the 30th June of the present year being a quarter-of-a-million pounds less than the value of goods in bond on the 30th June last year. It is reasonable to assume therefore that duty-paid stocks are even lower. The slightest improvement in trade conditions must therefore be reflected in increased importations and revenue collections, the revenues of Kenya reaping the immediate benefit because duty-paid stocks are held in this country in the first instance and are subsequently transferred with the duty to the neighbouring territories when sale and re-export are effected.

There is also the very important question of probable crop yields, not only in Kenya but also in Uganda and Tanganyika Territory. The first reports on the Uganda cotton crop are very definitely good and if only expectations are realized the carrying and entrepot trade of this country should receive a decided impetus on that account. So far as local crop reports are concerned, these are perhaps not quite so good, but remembering the locust invasion I do not consider that they may be regarded as bad. But we also have to consider the prospects in regard to next year's crops and it is here that guess-work is unavoidable. The only thing one can say is that the urge is definitely in the direction of decreased production costs and increased production. At the same time very considerable sums have been expended on delivered goods and if this money has been wisely expended a big increase in the volume of exports should result.

It is on those lines of reasoning that the figure of £866,800 for 1932 has been reached but, as stated by previous speakers, the Wines and Spirits Consumption Tax standing at £37,000 in the present Estimates together with £18,000 estimated to be produced by the additional taxation should be deducted from this figure for purposes of comparison, the result being that the 1930 figure and the 1932 figure are almost the same. I suggest, Sir, that the position has been reviewed without undue optimism or foolish pessimism and that a reasonably courageous attempt has been made to translate into figures Government's conviction that whilst the situation demands constant vigilance, possibly more particularly in regard to expenditure because after all a revenue estimate cannot possibly affect actual revenue receipts unless the estimate is so disturbing as to create a feeling of depression. It is on these grounds, Sir, that I suggest the Revenue Estimates as framed are entirely reasonable.

Before concluding my remarks I should just like to reply to a few questions which have been put by the other side. The Rt. Hon. Member for the Rift Valley called attention to the fact that receipts during the first three months of 1930 . . .

THE RT. HON. LORD DELAMERE: First four months.

THE HON. THE COMMISSIONER OF CUSTOMS: . . . four months of 1930 were very considerably in excess of the receipts accruing during the first four months of 1931. That of course is entirely on account of the fact that the depression started in April of last year and that he just happened to have taken those particular four months which for the purposes of comparison it will be obvious is precisely where we lost our money in this year, on those first four months. Receipts subsequent to April have been very nearly the same as the receipts in succeeding months from April of last year. The graph follows the line of last year.

The hon. Member for Nairobi North asked in the first place whether despite the drop in revenue receipts during May and June I still hold the opinion that the 1931 revised figure will be reached. Unfortunately from the estimation point of view the trade graph does not reach its peak in the middle of the year. The peaks are at the beginning and end of the year. On that account it is almost impossible to say what is going to happen until the 31st-December. If December happened to be the worst month of the year it would be very much easier but at the present time it is quite impossible for me to say whether the 1931 figure as revised will be reached. I can only say I hope so and that if the cotton

crop and other factors are favourable, knowing that stocks are abnormally low, then it is reasonable to expect that that amount will be reached, but the conditions, as I say, must be relatively favourable.

He also asks in regard to the marked falling off in liquor consumption whether account has been taken of that in the 1932 Estimates. Some account has been taken of it, Sir. As a matter of fact, there has not been a marked falling off but I imagine if there is likely to be a falling off the first thing that will go back to normal would be the liquor consumption. Even in the year 1930 when there was an acute depression, as stated by the hon. Member, the duty on spirituous liquors only decreased by £6,000, although the duty on apparel and cotton piece goods decreased by £90,000.

He asks in the third place whether any consideration has been given in framing the Customs Revenue Estimates in regard to the prohibition of wheat and wheat flour. The answer to that, Sir, is in the negative. In framing these Estimates no legislation of that sort was before Government and on that account no notice was taken of any possibility of change. It seems to me that it is impossible to frame Revenue Estimates taking into account possibilities of that sort.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, when I first looked at these Estimates of expenditure and revenue my feeling was that Government had made an honest attempt to cut its coat according to its cloth. At the same time it seemed that the tailors had considerably over-estimated the amount of cloth which would be available. We have just heard from the master tailor, if I may so designate the hon. Member (laughter) a very clear, sound and lucid exposition of the reasons on which he has based his Estimates. But I must own that in spite of what he has said and the fact that we can feel confident our interests are in very capable hands as far as the Customs are concerned, the Estimates depend too much upon rather vague suppositions. If I may say so, Your Excellency had been a very short time in this country, not many days I think, when you immediately realized the position of its finances had got to be tackled. You immediately took steps to do so, and you have achieved considerable reduction in expenditure during this year, but in spite of that there is still the very unpleasant fact that we have an estimated deficit for 1931 of £110,000. And somehow or other we have got to put our house in order so that we can recover that £110,000 in addition to other depreciation from our surplus balances which have occurred. I was very pleased to hear one sentence which my hon. friend the Commissioner of Customs used, which was to this effect—the crops upon

which our revenue depends. Would you allow me, Sir, as the question of last year's optimistic budget has been discussed, to quote from what I actually said on the subject last year:—

"Subject to the amendments to which reference is made, Elected Members broadly agree to revenue estimates as printed on the understanding that Government will take all necessary steps to ensure the maintenance and extension of agriculture on which these estimates are based. That, Sir, is the fundamental fact which we have got to see to during this coming year."

I think those remarks have been fully justified by what has happened since then. Government did give an undertaking that they would consider favourably any proposals that were put up. The first was a proposal to help the maize industry. That went through, and I think we may say that it was justified. You will see from the latest returns from the Agricultural Department that there is a very small decrease in the land under cultivation this year. The next thing was a committee was appointed by Government fully representative of all interests in the country, including some of the most responsible Government officials, which made a unanimous report as to what they considered the best method in which to keep the coffee and sisal industries going. That report I understand, was approved by this Government and was sent home, where presumably it was thrown into the wastepaper basket by the Secretary of State, because nothing more happened. What is the result? Coffee has been able to carry on, because fortunately the price of coffee has not depreciated in the same way as nearly every other raw material in the world, but that big industry, sisal, is practically dead at the moment. And we have to consider what that means to the country. If I may just quote figures which were given in that report: number of Europeans employed, 200; number of natives employed, 18,550; amount paid in railway freight, etc., to the Railway and Harbours Administration, 1929, £75,650. These are very illuminating figures. If an industry of that sort goes out of commission it does mean a serious loss to the country, not only in direct importations but the indirect effect of the lack of circulation of money which would occur in an ordinary way. When you consider, Sir, what the sisal industry represents. According to the latest figures of the Agricultural Report, in 1930 and 1931 the actual production of fibre amounted to 18,858 tons, and there was exported in 1931 318,080 cwt. At the present prices these exports will gradually disappear, and I am afraid that if nothing is done to help the sisal industry to keep their plantations in order and to keep the rotation going, the country is going to suffer worse in the years to come. The next industry I want to refer to is that of wheat. This is a subject about which I feel a bit

so. If you remember, last April I, as chairman of the Advisory Board on wheat, approached Your Excellency with other members of the Board with a view to getting some help for the wheat industry. First of all, we asked for the total prohibition of wheat and wheat products, and were told by the hon. the Attorney General that there were legal difficulties. We then asked that we should have a highly increased suspended duty to amount to almost a prohibitive duty. You, Sir, appointed some of us to form a sub-committee to go into the whole question, and we were informed from Government that such a question as a suspended duty the Government could not consider because the one thing they wished to avoid at all costs was any tampering with the Customs Union with neighbouring territories and therefore they could not do anything on those lines. Within two months that Customs Union and the details of it with neighbouring territories were altered entirely, I should presume to suit neighbouring territories, because I cannot believe that the small amount of revenue to come to this country would have made the Government raise the question. I feel very strongly about this—I was not in the country in June, or I should have said something then. But Government at that time should have taken the opportunity to help this industry by getting the other countries to agree to a large increase in the suspended duty. It is not necessary absolutely that the other countries, although you agree to suspended duties, should actually put them into force. As far as Uganda is concerned, I do not think it concerns them very materially; as far as Tanganyika is concerned it would make a great difference to us if they did so, but even if they did not it would be a great help to the wheat industry if we could have such a high duty so as to avoid the very unsound economic position demonstrated just now by the hon. Member for Nairobi South, wherein he showed that by the present position the country is actually showing a loss of £21,000 a year. I most sincerely trust that even at this late hour Government will put up the question seriously of saving the wheat industry from disaster by raising the suspended duty. What seems to me the chief crux of the situation is that it is important to increase revenue without increasing taxation, because I think in times like this extra taxation defeats its own object, and no section of the community as far as I can see is in a position to stand any increased taxation.

THE HON. THE ACTING COLONIAL SECRETARY: Not even the Civil Service!

JR.-COL. THE HON. LORD FRANCIS SCOTT: I must reiterate what has been said about our revenues being so dependent on our agricultural industry. That Sir, you have yourself said, the hon. the Commissioner of Customs has stated, and I think it very important not only to keep our

existing industries going but to investigate any new forms of industry which might be profitable in this country, either of agriculture or manufacture. I do not know much about manufacture, but I think we should investigate any possibility—of say making blankets out of our own wool; whether the use of sisal is possible for various industries such as bags, ropes, etc.; whether we can do anything with the by-products of maize. I think these questions are important to the welfare of the country and should be investigated. With regard to that, there is one item in the expenditure which gives me a little bit of anxiety, and that is the very big reduction in the vote for the Board of Agriculture. It has been reduced by 66 per cent, from £3,000 to £1,000 a year. The reason is that I do think it is a board specially adapted to investigate such questions, and it would be a calamity if through lack of funds it is unable to carry out its work efficiently. No doubt in reply, either in this debate or in Select Committee, we will be told how Government are proposing to effect these economies without damaging their efficiency. While on the subject of the Board I would just like to remind this House of what the Secretary of State said in the course of my cross-examination in the Joint Committee at home, to the effect that he looked on this Board of Agriculture as part of the constitution of this Colony, and the greatest advance we had had towards our taking a further share in trusteeship. That was Lord Passfield who said that.

Now, Sir, on the economy side I should like to say how much I agree with two remarks you made yourself in your address the other day. One was to the effect that the framework of the existing essential services should be maintained so that it could be built up again when times become more normal. The other was that during next year and the years to follow we have to seize every opportunity to lower the overhead charges of this Government to a figure which we can bear with confidence and safety. Those two statements I consider are the foundations of what we have got to do on the expenditure side. It seems to me there are two methods to carry that out which we have got seriously to consider. The first one is what the Noble Lord who represents Rift Valley stated yesterday on the question of the inordinate overhead charges that the country bears. As he said, we may not all agree as to the best method of achieving that, but I do feel, when we are all agreed something has got to be done to reduce those overhead charges, that we will find a method, and a method which is the best for the country's good, and will carry it out. Personally, as is known, I have always advocated decentralization. That is because I think I was born lazy and my chief object whenever I have any work to do is to find somebody to pass it on to—to decentralize! But

the worst enemies to such a scheme of decentralization have been its most ardent advocates, who in advocating it so overdid it as to cause alarm on the other side.

The other question is this question of cutting salaries. I, like the like the Noble Lord who first referred to this, am very reluctant to have to support such a suggestion, as I have always believed and still believe it is of importance in this country to have a contented and well-paid Civil Service. I have always deprecated and still do any division between officials and unofficials. We are all members of the same race, we are all citizens of the same country, and it is up to all of us to pull together and do all we can for the good of that country. I shall be very sorry if anything in this suggestion should be taken in any way as an attack by unofficials on officials because that is absolutely absent from the minds of all of us on this side of the House. It is only the exceptional times in which we live and the exceptional circumstances which have driven us ever to recommend this suggestion. I may say, speaking for myself, I have recently been in England and when I went home from this country I thought things were pretty bad here and we were rather depressed but when I got to England I found we were really rather optimistic compared with the situation in London. I have never met such pessimism—nobody seemed to know when the end was coming or what the real reasons were of the world-wide depression. It seemed to me—I am only an amateur in these things—that what had really happened was that for many years now the whole standard of life had been going on on a more extravagant and more luxurious basis, that the big finance of the world was based on that indefinite thing credit, that various big collapses had taken place in different parts of the world, that credit had been called up and they could not find the actual material on which that credit was based, with the result that the world has been on the verge of perhaps the biggest financial collapse that has ever been known. I trust that the steps which have been taken will avert that but I do feel myself—I hope I am wrong—I feel that we have all got to reorganize our ideas of values, our ideas of standards, and we have got to get back to the position which I think existed probably in the late nineties when things which to-day are considered as necessities were only considered as luxuries—before the days of motor cars and restaurants and all those things which have undoubtedly increased the much more luxurious and costly form of living. For that reason I believe that salaries and remunerations of that sort have got to be readjusted to the new world conditions. I was told in London that in commercial circles men who two or three years ago were drawing £2,000 a year were now pleased to get about £600, and that was the sort of trend of the whole story. Now, Sir, I hope that I shall be proved entirely wrong, that this

depression may be only temporary and that in a few years everything will right itself, but in the meantime I do believe we have got to consider seriously getting our house in order and exploring every means by which that can be done. It is sometimes said that these are contractual obligations which cannot be altered. I am not quite sure whether that is correct or not. The Noble Lord who spoke on this subject yesterday gave the history of the case and how the actual increase of 20 per cent was added about seven years ago. I think it was. Now, Sir, as to whether this can be done or not I do not know except that I know it has been done on myself. I expect you, Sir, have also received one of these unpleasant little buff papers reading as follows—this is my pension for my service in the army—as you know one does not get quite such a good pension as in other walks of life, not as high as one of our friends who has just recently left this country after ten years' service on a pension of £500 a year—after twenty years' service in the army I have got a pension of £283 a year—I had this little paper which says—

"In view of the continued fall in the cost of living it has been decided the reduction of 7 per cent annually cannot be retained beyond the 30th June, 1931. A reduction of 8 per cent will be put in force for two years on the 1st July, 1931, to the 30th June, 1933. The revised rate of retired pay from the 1st July, 1931, in your case will be £262 a year."

I grant you it is not quite a similar case; it is based on rather different conditions but I am only pointing out that it is happening in other walks of life and therefore it is not entirely an exceptional case.

Now, Sir, there are one or two other points I should like to bring up. One is the old-standing one which I have brought up every year for some years and that is the question of Estate Duty. Now, Sir, in this year's Budget it is estimated there will be £20,000 found from Estate Duty. I am not going to suggest that we can at this moment afford to do without that £20,000, but I do suggest and I do say and I believe it very strongly that it is going to be for the greatest possible benefit of this country that we should get rid of that Estate Duty, and I hope that the commercial community who undertook to find an alternative duty to take its place will shortly do so. They have been finding it for two years now and they have not yet produced it, so I am not finding fault with Government on this occasion but I hope my commercial friends may get busy about it. This question did come up before the Joint Committee at home incidentally. As Mr. Amery said, "So I suppose you want to advertise your country with 'Come to Kenya and die tax-free.'" I think that is a very good slogan and one which would, I believe, have a very

great effect in persuading people to come out here. In these days of taxation people do not know how to provide for their children in the future and if they could come and die tax-free I think it would be a great inducement to come.

While on this subject of encouraging people to come and die tax-free, Sir, I think it is most necessary that we should try and encourage them to come here and live.

THE HON. T. J. O'SHEA: Live tax-free?

LT.-COL. THE HON. LORD FRANCIS SCOTT: As tax-free as possible. I know it is argued that this is a bad time to ask people to come out but I cannot agree with that point of view, Sir, because most of us come out here at the top of a boom and pay top prices and everything goes so easily and well that people do not get their houses in order and when the bad time comes they have then got to readjust their ideas. The time to come is when there is a depression on, when you have learnt from the mistakes of other people and you can get your land much cheaper. I do think, Sir, that it is very essential we should try and increase our settlement and I would like to say now, Sir, that I do not altogether agree with my hon. friend the Member for Nairobi South that there should be no more alienation of State land. I think there should certainly be. I think the two things should go along side by side—the sub-division of existing alienated land and the alienation of fresh land. To achieve this it seems to me there are two essentials required. One, Sir, has already been fully discussed and I am not going into the details of that—that is the question of long term credits through the Land Bank. I think that is one essential and I cannot see, Sir, how the people at home can refuse to let us have more loan money for the purpose of agricultural development if such a purpose be well administered through a Land Bank when they have recently approved a loan of several millions, an agricultural loan, to Palestine to help the Jews and Arabs there to get on with their agriculture, and at the same time the House of Commons recently voted some money to Geneva to help agriculture in some of the Central European States. Now, Sir, I did bring this question up in an address I had to give to what is known I think as the Imperial Committee of the Conservative Party of the House of Commons and they were very struck with this point that there was difficulty for us in getting a loan for helping the agriculture of our own people in our own Colonies when money was so easily forthcoming for, in one case, foreigners in Europe and in the other case of people living in a Mandated Territory.

There is one other point with regard to agriculture and the development of agriculture and that is the question of locusts. I see, Sir, in these Estimates there is only an allocation of £1,000 for locust work. I presume that is just a token

vote which Government hopes will not have to be increased but which I suppose will be increased if the occasion requires it. With regard to this, Sir, as we all know what a serious menace the locusts are I should like to ask if the hon. the Director of Agriculture could tell us something as to the present position of the locust menace and also as to how much damage has actually been done in the Native Reserves.

There is one last point; Sir, I should like to bring up and that is the question of the Defence Force. A few months ago you did me the honour of appointing me the Commandant of the Defence Force. Our vote has been very seriously reduced during 1931—there was a cut made on the approved Estimates of something like 30 per cent. We have done the best we can to carry on with that reduced amount which has meant about halving the training in camps and so forth, and for this coming year I think it is reduced by about another £400. We will do our best to economize and carry on as efficiently as we can with the reduced money; I only trust it will not be so reduced as to affect efficiency. While talking on this subject of the Defence Force, Sir, there is one point I should like to bring up. Throughout the Colony, I think in all the outlying districts, everybody has rolled up and done his job, but I am sorry to say, Sir, that in Nairobi and to a smaller extent in Mombasa there is a large number of young men who seem up to date completely to fail to realize what their duty is to their country, that elementary duty of putting themselves in a fit condition to defend their country when called upon. It is not calling for any great amount of work to be done. It is merely asking a man to give up two hours a week during the year to do a little bit of training and I feel sure, Sir, that in the majority of cases it must be that these young men have not realized the significance of their attitude in refusing to come up voluntarily and do their part in this work and that they must be rather looking on it as a game to defy Government because Government has not put into force its own laws. I do hope, Sir, that before long Government will take some action to enforce the law as it stands. In the meantime, Sir, I hope by the time Government does take some action that all these young men will have thought over their conduct in a fresh light and will have voluntarily come up and shown that they mean to do their duty to their country the same as every other citizen who has joined and done his bit. I look upon it that all of us who come out to a young country like this have a duty; we all have to give the best we can to our adopted country. Some have to give more, some have to give less, and of these young men I think it is the very least one can ask of them to give that they should do this very small amount of elementary training to fit themselves to be good citizens of the country.

Now, Sir, in conclusion, if I may once more quote from what you said last week—it is this, Sir:—

“It is my desire to take an early opportunity of associating the Unofficial Members with the financial problems, more particularly as many of the economies reflected in the 1932 Estimates, if they are to be effective, must be implemented at once.”

May I say, Sir, that while we all recognize that it is entirely the responsibility of Government to frame these Estimates and to do what they think is right. I do think, Sir, in times of stress such as these it is important that all sections of the community should pull together and should do their very best for the country. I hope, Sir, that Government will accept our criticisms in the spirit in which they are offered and not in any destructive attitude. We have not tried to score points off Government—that is immaterial. All we have tried to do, Sir, is to draw attention to certain points which we think will be for the benefit of the country and hope that we will be able to assist Government and not embarrass them.

THE REV. CANON THE HON. G. BURNS: Your Excellency, since the beginning of this debate on the Estimates the question or the point that has been stressed more than anything else has been that the basis of our economic structure in this country is agriculture. That goes without question in a country like this where minerals and other products of the earth are not yet found. Therefore, in connexion with agriculture, the question of the part that the native whom I have the honour to represent in this Council is to take in the future is one of the utmost importance. That is, with regard to the type of agriculture, or the methods adopted by the natives in the Reserves. It is of the utmost importance that we should teach the native and educate him in the best way to secure from the land he gets the crops most beneficial to the country as a whole. One point on which I should like more light from the hon. the Acting Director of Agriculture is that in the recent retrenchments of the officers of that department, how many of these officers were men taken away from posts they had occupied for some time in the Native Reserves trying to show the native better methods of agriculture and the sowing of better seeds and so producing better crops? I understand a number of officers so retrenched have been taken from the work they originally had conducted in the Native Reserves. I would like very much to be informed on that point.

There is another aspect of the Native Reserves which requires, and I think is perhaps beginning to receive, some attention from the officers responsible for the administration in the Reserves, the necessity of organizing better marketing facilities for the crops that are being grown by the natives in

the Reserves. The natives themselves are not getting the benefits they should get from the crops they are growing. Those benefits are going into the pockets of other people, while if there were organizations throughout the country for the better marketing of their products the money would go into the natives' pockets who grow the produce in their own country.

I have been asked by one hon. Member, I think it was the hon. Member for Plateau South, whether the natives can bear the taxation imposed upon them as shown in the Estimates for 1932. There are many factors which bear on the answer to that. We have been hearing throughout this debate of the necessity for putting our house in order. That has been the slogan for some years, and it is now. The producer has to put his house in order, the settler has to put his, and when the settler naturally looks around for a start or a point from which he can start putting his house in order naturally he looks upon his employees. And wages have been cut down, as we know in some instances by 25 per cent. To expect the native then to pay the same taxation that they have been paying in years of prosperity with their reduced wages and other things like that is anticipating a very great deal indeed. At the same time, I notice there has been a reduction in the Estimates of something like £32,000 expected to accrue from the native hut and poll tax. Whether the natives will be able to rise to that with the losses they are sustaining from the locust invasion is a matter for the future to reveal. But there is one point that I should like to stress very much. I should like to appeal to Government to try and lighten the burden that rests very heavily indeed on the native widows in the Reserves who are called upon to pay the hut tax in connexion with the huts that they live in. Their young men go away on farms and come into Nairobi to do their work. To my own knowledge the hut tax is paid in Nairobi without their perhaps getting a duplicate receipt, which they should in my opinion—one to send back to the Reserves to whoever is in the hut. But he pays his tax here, and then the order is signed by the Provincial Commissioner or the District Commissioner for the tax to be collected in the area. The man responsible for the hut has already paid here in Nairobi, and at the same time the tax is demanded from the woman occupying the hut, and, if it is not forthcoming the goods are seized and sold for a little less than half their value and the tax thus recovered. I hope, Sir, that that point of view of the taxation of the native will be looked into as far as the widows are concerned.

One other point, in regard to increased production from the soil. It will be a help, a considerable help, from the point of view of the Customs if to do away with the hoo or jembe

as used there was a prospect in the near future of the plough being used. That would be to the benefit of the whole country for they would have to be imported, and so the Colony would benefit from the Customs accruing from that. At the same time such produce would either relieve or open up the door for European producers to export more than they do now if the natives were induced to produce more. We are told that the sisal industry, which employs 18,000 natives, is practically a dead letter. The question naturally arises, what are these natives doing to-day and where are they? If work is not found for them in the way it should be, that 18,000 through no fault of their own will not be an asset to the country but rather a burden. From that point of view they should be encouraged to cultivate to a larger extent in the Reserves than they have ever done before.

One other matter in regard to education. One hon. Member spoke about our young men of the Colony filling posts that are to-day filled by men from overseas. That should meet with the entire agreement of the House. But one other matter in regard to that. While you expect these young men to prepare themselves to fill these posts, you are cutting down the grant for the Educational Department that can fit them for the filling of these posts. Is that economy, I should like to ask? The same thing applies to the native. We are looking forward to the day when the native is properly trained—and gets his balance that he has not to-day I admit—and becomes an asset from the point of view of efficiency so that he can fill the posts being filled to-day by higher paid servants. We must also educate him along these lines, and for that reason it is a serious thing to cut down the grant to the Education Department as is shown in the Estimates of expenditure.

One other point, in regard to the Land Bank. With the desire of the Elected Members to have more money given it to supply greater funds I am in entire and absolute agreement, but one point I want to emphasize, and that is this—the native can get no help from that bank.

**Lieut.-Col. THE HON. J. G. KIRKWOOD:** On a point of order, Your Excellency, that is not correct. The Land Bank provides . . .

**HIS EXCELLENCY:** The hon. Member will have an opportunity of speaking.

**THE REV. CANON THE HON. G. BURNS:** I accept the correction, if it is so, but I still have many grave doubts with regard to it, because the point is that the tenure of land as held by natives to-day is not security that the bank would lend money on, and the necessity is to secure for the native a tenure of land so that a progressive native who wants to

cultivate his land along modern lines and up-to-date lines would be able if he so desired to go to the bank and secure from the bank—to which I beg to say he is paying a considerable sum towards interest on the money—he should be in a position to receive from it benefits to help him to cultivate his ground along the lines we want to teach him to cultivate. I hope, if I am right, that this matter will be put right in a short time and some means evolved by which a native can receive from the bank help so that he can proceed with the new development of his land. I do not think there is anything else. Your Excellency. There is one thing to have it on paper and another to put it into practice, and I think every single Member of the House will agree with me that is the position to-day, that the native tenure of land does not justify the bank advancing money because the security is not sound.

One other point. It has been stated by the Noble Lord for the Rift Valley that he thought the wages paid to a native or the wage a native would earn amounting to £9 a year would really be more beneficial to him than to help him to engage in some new form of industry or development in his own Reserve. As far as the actual land is concerned that might be true, but when it comes to a point there is not only the man but his home, his wife and children—what relationship do they bear to that £9? After he has paid his hut and poll tax out of it, what is there left? Surely it is not the idea of any Member of the House to keep the African woman in the place she is in to-day, a place of servitude, a beast of burden. It is the idea that with better means of transport for their produce, better forms of agriculture, the woman will be released from the position she holds to-day so that she will enjoy life in some little degree as we like to see our women folk enjoying their lives. Therefore, the £9 represented by the wages of a man working for another man on his farm does not justify in my opinion the thought expressed by the Noble Lord because it only represents the man himself, and the women and the children—we want to see helped to a higher standard of life and freed from the burdens they are bearing to-day, heart-breaking crushing burdens, the only means by which that can be achieved is by development of the Native Reserves and better facilities for agriculture and selling their produce.

**THE HON. F. A. BEMISTER:** Your Excellency, this is the third occasion that I have had the honour to attend what I have always referred to as the annual general meeting of this Government and it is intensely pleasant to recognize that at last, as reflected in this Budget, the ideas of Elected Members which they have preached every year that I have been in this House are at last being recognized. If you will glance at the last two accounts and the Budget debate you will find

that the very economies which have now been brought into operation have been preached and prayed for by Members on this side but we have always been met with a block that either we were too pessimistic or some unreasonable excuse and each time our ideas and our endeavours have been frustrated. To-day, Sir, we can look with confidence to the future because there has been introduced into this country some power which has, to put it mildly, influenced the Heads of Departments really to examine where they are leading the country. In fact, the words used at one of the meetings I have recently held in Mombasa to consider this Budget were that at least the contempt of the Government was removed from the Elected Members. Now, Sir, whilst appreciating that great relief I am going to ask why it is that the contempt for Mombasa and the Coast still remains? We have never asked for financial help. All we have asked for is assistance in endeavouring to get our house in order and I have here a whole list of dates of meetings, particulars of committees appointed in connexion with the 1919 Land Ordinance, the investigation of which started in 1922 but in 1931 is criticized thus: "Yet we still suffer under an Indian Act applied to this Colony in 1884 without modification or amendment and an Ordinance which has been condemned from its inception onwards as a rotten bit of legislation." Why I am bringing up this matter is because although we are practising economies in retrenchments it is not every retrenchment that is an economy. The great thing is, do we get value for our money and can it be believed? I do not know what department is responsible for this but can it be believed that an agitation under which special committees and commissions of all kinds have sat and taken evidence for seven or eight years is still without that relief which, if we had a reasonable Ordinance on the Coast, would effect a greater exchange of land and a greater interest by people in taking land on the Coast for development? It does seem, Sir, impossible to an ordinary layman to imagine that any Government Department or any Government could possibly find a problem which takes nine years to consider and still be as far away from a solution as they were when they first sat down to it.

I am sorry, Sir, that the Education Report for 1930 has only just been laid on the Table because that is rather what we call a pet of mine. As last year when I criticized the policy of the Education Department I was charged with attempting to destroy the enjoyment of the holiday of one of the teachers; I do hope, Sir, that any remarks I have to make will not disturb the enjoyment of the Director of Education who is on leave, but what I want to know with regard to the Education Department, Sir, is why again is it that Mombasa should be picked out entirely for cutting down in a way that places first of all such responsibility on a female teacher

that there is bound to be a vacancy occupied in Mathari in a few months, and at the same time the children cannot because of their diverse classes get the proper attention. I cannot understand why it is that it is always Mombasa that is the scapegoat. There we have a growing Colony of people who cannot afford to send their children up to Nairobi, who cannot afford to have governesses and who really only want an education carrying the children up to about 10 or 11 or 12 years of age. We had two teachers there and I was always under the impression that everything was working nicely and correctly. Of course, the building they live in and are educated in—we do not talk about that, that is kept in the dark—but you come now to the human element and one teacher has been taken away and at the present moment there is only one. To attempt to try and educate or to give the children an idea of educational discipline is absolutely wicked—there is no other word for it—and unless relief is very soon given in the educational section I certainly think that very serious results will follow and I certainly intend, as I have had the honour to be appointed to the local education committee, to make a terrible lot of disturbance over that one factor.

The other day, Sir, I asked a question—the House was not sitting—on what has been done, what is being done with the amount of money raised for buildings, totalling £300,000, in December last. I asked the question:—

"Whereas the amount of £300,000 voted for the erection of Law Courts and Central Government Offices was included in the December, 1930, Kenya Loan, and in view of the fact that the work has not yet been started, what is the policy of Government with regard to redeeming interest and sinking fund accruing by placing the money out to loan?"

The reply I got was this:—

"Loan balances are invested at a satisfactory rate of interest by the Crown Agents for the Colonies in London, and they are available on demand as required for expenditure on the authorized works."

Satisfactory to who, Sir? Who are they satisfactory to? What is the rate? What is the figure? So far as I work it out I calculate that we are losing a definite 4 per cent on the money you raised in December last to put up buildings and in consequence you are wasting £12,000 a year. That money has been raised nine months—say three-quarters of £12,000 has already gone down the drain and I cannot believe that that is sound finance in a time when you are searching around for odds and ends of amounts and I cannot believe that such a thing would be tolerated if it was possible for it to be stopped by the taxpayers of this Colony.



Again, Sir, I asked a question the other day about why it was you did not use the methods and the officers you have in hand for the checking of the poll tax paid by emigrants who leave this country. It is a very simple process. All the police have to do is to ask for the production of the poll tax receipt when the emigrant leaves the country and say, "You leave that with us." I do know for an actual fact that we are losing thousands of pounds yearly by this one thing alone. People are using poll tax receipts with one name—several members of the same family. This is well known—it is not a secret, yet I am told officially that it is illegal for the police to hold up the tax receipt of a man who is leaving the country. I cannot believe it, Sir. There must be some little twist: perhaps I did not put the question in correct English or something like that, but I cannot believe that the Government has not the right when a man leaves the country to ask him to prove that he has paid all the taxes that are due from him and when he has proved it to keep the proof on their file until he comes back. He does not want it in the country he goes to and when he comes back he can have them by the bundle if he ever paid a bundleful.

It is for that reason, Sir, that I advocate and very strongly advocate the early appointment of an economic commission to examine the why and the wherefore of our expenditure and revenue. I believe, Sir, that if we could get an expert from home to consult with people here who really know the why and wherefores of internal extravagance, I believe that you would get such a tremendous saving without any hardship to any department or individual that it would be worth every possible inconvenience which it caused to get the commission here.

*The Council adjourned till 10 a.m. on Friday,  
the 28th August, 1931.*

FRIDAY, 28th AUGUST, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Friday, the 28th August, 1931, His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 27th August, 1931, were confirmed.

#### ORAL ANSWER TO QUESTION.

##### COAL FOR THE RAILWAY.

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE (on behalf of THE HON. F. A. BEMISTER) asked:—

1. What was the amount of coal delivered to the Railway between 1st August, 1930, and 31st July, 1931?
2. When is new contract to be issued?
3. Is the ship due to arrive on 21st August (alleged to be carrying 7,000 tons) under the 1930/31 contract or 1931/32 contract?
4. What was the reserve of coal at all Depots and Mbaraki on 31st July, 1931?
5. What is the monthly consumption?"

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG.-GEN. G. D. RICCHES):

1. 67,546 tons, 10 cwt.
2. Immediately—shipments to commence October.
3. 1930/31 contract.
4. 36,332 tons.
5. 5,923 tons. Average for six months January to June, 1931.

#### MOTION.

##### ESTIMATES, 1932.

HIS EXCELLENCY: We will now continue the debate on the Budget.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, so much ground has been covered that there is really little left to say until we go into Select Committee. I should.

however, like to touch on one or two points, Sir, and I would start with the saving that Government has made in retrenchments. If, Sir, those retrenchments are due to the fact that Government admits that its departments are over-staffed I agree with them and I think Government is correct in making them, but if on the other hand, Sir, as has happened before, it is Government's intention to refill those posts at the earliest possible moment then I think Government should have adopted other methods of meeting the financial position. Your Excellency, I have heard it stated in Nairobi that there have been certain cases of victimization in these retrenchments and I hope when we are in the Committee stage that Government will disprove this because it is a very nasty slur to cast on any Department in this country. I regret I have in my possession certain facts that I shall require to be disproved when the time comes.

With regard to a cut in the Civil Service pay, Sir, proposed from this side of the House, I regret that the motion had to come from this side of the House, Sir. I personally think that if Government had thought fit to call a conference of its servants they would have met Government when the situation was explained to them and the onus would not have been on my colleagues on this side of the House. I suggest it was Government's duty to put that up to its servants.

Turning to the King's African Rifles vote, Sir, I hope that what I say about the King's African Rifles will not be taken hardly by them—I see three officers there—for this reason: that I had the honour of serving the King's African Rifles for seven or eight years and I know of no men in whom I have more pride and for whom I have more love than the King's African Rifles. To-day we are faced with a very large expenditure in the vote for the King's African Rifles. It is a Brigade and a Brigade has to have a Brigade staff and that Brigade staff costs an enormous amount of money, but what do you find? They tell us they have got three regiments, well, so they have on paper—in actual fact we find they have got 1,350 men, giving them credit for 120 gun porters. After all, that only amounts to a decent-sized battalion, a battalion of war strength. To my mind we are expending an enormous amount of money quite unnecessarily. You have two Brigade Commanders—North and South—this does not affect the Southern Brigade Commander—in spite of the fact that you have got two Brigade Commanders we still find it necessary to have the Inspector General come out and inspect them. If you have got a Brigadier to look after a matter of 1,200 men surely there is no necessity to have a man come out from home at £2,000 a year to come

and inspect that battalion. You have got a Brigadier to look after the battalions—three battalions commanded by majors; if he is not fit to go and inspect three battalions consisting of under 400 men each then he is not fit to hold the position at all. I say we are definitely throwing away money when we invite the Inspector General to take a six months' holiday every year and fiddle it away all the time. Sir, we have got Uganda in this Brigade. I personally think there is no need for that and I feel that Uganda is not at all pleased about it. They would much rather have gone on in their own sweet way without anyone worrying them down here.

Sir, mention was made yesterday of doing away with the King's African Rifles. Now nothing would hurt one more than that. At the same time, this is no new idea—it was mooted ten years ago. The facts were put up and like most things put up here it probably took the War Office clerk just ten minutes to find a pigeon-hole to push them into. Nothing further was done in the matter. The position to-day has altered entirely. Ten years ago and years before that you had a very efficient force of King's African Rifles drawn principally from the Sudanese and Nubians. There is no need to say that when those tribes were here the position was different. To-day all those people are drawn from exactly the same tribes as your police, and therefore the position does not hold.

Now, Sir, with regard to the remarks made that this is an Imperial defence scheme, I want to put it to hon. Members—of what use would 600 men be to an Imperial defence scheme on the frontier? They may be King's African Rifles and they may be thoroughly well trained; on the other hand, they may just as well be military police, also thoroughly well trained. We are told that you cannot compare military police with regiments like the King's African Rifles. Now, as I have said before, I love the King's African Rifles but I have seen military police battalions who were never out-fought, out-distanced, out-marched by the crack-jack battalion of the King's African Rifles—they could not do it. I refer to the Northern Rhodesian military police. I maintain that you could not find a better regiment but they do not like being called police. They want to be called military. That is the trouble. The men are just as good; they are from exactly the same source and you could have one whole military and civil police definitely under one head to do what they have got to do to-day. They have each got stores, ordnance, paymasters, and so on. In the King's African Rifles there are six paymasters, who are quite unnecessary to my mind because if you had one ordnance, one store, you could have

one quartermaster, one paymaster to deal with the whole thing, with their subordinate staff. You must save this country anything up to £50,000 a year and I maintain that is what we should do to-day.

In this country to-day you have young men growing up, young men who grow up here who are quite fit to become officers—with the greatest deference in the world to the officers in the Imperial forces—who could take their place in the military organization in this country—there is no question about it. If they have not got quite that standard of efficiency and would not be quite so efficient at the moment at barrack square drill and that sort of thing, that is made up for by the fact that they know their country and they know their natives and do not have to go home at the end of 2½ years. They remain here for life and it is up to us to see that these lads are trained so that they can take the place of officers imported from home.

Turning to transport, here again this is a hardy annual and will be until it is cut if I can make it so or help to a certain extent. To-day, Sir, we have got a fleet of cars in the King's African Rifles Transport that would move Kenya, and that is entirely unnecessary to my mind. I will give way on one point—they are certainly needed for your first-line transport. The King's African Rifles must have that, they could not work without it. After all, Sir, I say I believe you could move all your stores, all your requirements, all your men very much cheaper to-day if you put it out to civil contract than you can with a standing force who are for months doing nothing. I know for a fact that we have had people waiting three or four months when they have wanted to go to the frontier waiting for a fleet of cars to come along so that they could be sent. That goes on and must go on indefinitely. I believe that you have got to-day reliable transport in the country which could be called upon at a moment's notice to move any force you like. It could be done at two hours' notice, not twenty-four hours—lorries could be provided to cart your stuff wherever you wanted it.

Sir, two years ago it was suggested that the King's African Rifles Transport should be taken over by the civil transport of this Government. It was shown us that we could make a saving of £20,000 a year. Many of us did not believe that such could be the case but it was proved on paper. What happened? Government passed it; Government acquiesced; it was passed in the Budget—but, when the Inspector General came out he got Government by the nose and had it stopped within forty-eight hours of his arrival here. Again, Sir, he was entirely wrong—I believe the civil transport here can more anything, but the Government of

this country apparently had no authority to do it at all. The Inspector General came here and spent our money. He was quite content to spend our money. We had no say even after for the civil transport and the whole thing had been arranged—but he stopped it.

I want to refer to the Defence Force. The Noble Lord on my right (the hon. Member for Ukamba) spoke about the Defence Force yesterday. I entirely agree with him that we have not got sufficient money to carry on. Now, Sir, I suggest to Government it would be an economy to put up a little more money for the training of the youth of the country. I may say at the same time, Sir, I do not understand the youth of the country in failing to grasp a privilege, a definite privilege, in helping their country when they should. I know, Sir, a number of youths have said: "Oh, if any trouble arises you can count on me at a moment's notice," but whatever use is that to the Colony—a man who does not know the butt from the muzzle of a rifle! Not the slightest in the world. I have the honour of commanding what they call the Nairobi Rural Area. I am proud to say that when I called them up for training last year, out of those who could attend under the scheme I only had two scrimshankers out of the lot, and that covered about twenty thousand square miles. I am proud of it, but I cannot say that of Nairobi. I am disappointed in Nairobi. There are too many petticoats flying about in Nairobi for the youth of Nairobi and it seems the idea that as long as he can take them out to tea or to ~~finish~~ his job in life is finished, but I put it to him that the time will come, definitely will come, when these lads will have to put on khaki and go out again to help their country, and his girl will love him a little better if he can go and fight for her whether she is his girl or his wife at that time. I have no use for those lads who think it is a big thing to bank the Government because the Government has been sporting. Government could have compelled those lads to come and do their work but they have not got the sporting spirit to come out and they think that by jeering they are wonderful men. They are not; they are scrimshankers of the worst kind.

Sir, with regard to the cut in money for roads and bridges, I regret intensely that Government has found it necessary to make the definite cut they have done. For two or three years, Sir, District Councils throughout the country have made every effort to get the roads in the state they are in to-day and there is no doubt in my mind that the roads are better than they have ever been, but, Sir, that is not entirely due to the money given by Government. In many

cases settlers have been found to provide transport—Jorry, ox-waggon, boys—and they have supervised the work themselves. I can name instances where we have spent Government money to the extent of £50 where the actual cost of the job has been £175. That has been the work of the settlers in that area, though certainly it has helped them to get home in bad weather. I wonder if Government realizes that good roads in this country are of immense importance. Good roads in the Colony simply mean the life of the country, for we cannot do without roads. I hope, therefore, that Government will be able to supply more money for this purpose, for I cannot see how otherwise the work can be carried out.

There is the question of the abolition of the death duties. I have supported this for three or four years on the ground that if we get rid of these estate duties we shall get a lot of capital attracted into the country.

The question of publicity through the office at home, Sir, was mentioned. I hope Government will take a firm stand in this matter. It was referred to in Select Committee about two or three years ago and action was held up for various reasons. But I should like to quote a few figures typical of that office to-day. They spend in salaries £5,000 a year; for rent, light, heat, insurance, £3,000 a year; incidentals, £1,000 a year; for publicity £1,400 a year. For running the office, £9,000 a year; and for advertising Kenya £1,400 a year. I submit that it should be the other way round—it should be £1,400 for office expenses and £9,000 for publicity for Kenya. An hon. Member tells me that this £1,400 is spent for the six territories, which makes it more necessary that it should be £1,400 for the office expenses and £9,000 for advertising.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, before proceeding to speak on this Budget for 1932, I should like to make reference to two or three matters arising out of the debate. I understood the hon. and reverend Member for native interests to say yesterday that there was no provision in the Land Bank Ordinance to advance money to natives. That is not so, Sir, and I should like to read the section, a short one, with your permission:—

(1) Notwithstanding anything contained in section 23 of this Ordinance, advances for any of the purposes defined in section 19 of this Ordinance may be made to natives, but no such advance shall be made without the consent of the Local Native Council concerned, if the applicant for such advance is a farmer within a native reserve.

(2) Such advances shall be made on such security as the Board, with the consent of the Governor in Council, may from time to time determine."

I hope that will put that matter right, in case the Members who served on the Select Committee of the Land Bank were not aware of their responsibility towards the native population of the Colony.

The hon. the Acting Colonial Secretary in his opening address referred to the Elected Members as the embattled semi-opposition. I want to . . .

THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN): On a point of explanation, Sir, I did not say that—I called them the embattled hosts.

THE RT. HON. LORD DELAMERE: You certainly used the word semi-opposition, because I did not know what it meant.

LT.-COL. THE HON. J. G. KIRKWOOD: As an Elected Member, and I speak for my colleagues, we do not look upon ourselves as opponents of the Government. We are not the opposition, only when we are driven to it, but we are. I maintain, the leaders, and we do initiate policy as I hope will be demonstrated at the conclusion of this debate.

One other small matter. I noticed a reference in the *Star* in reporting the Rt. Hon. Member for the Rift Valley as saying in his speech that when the Land Bank Ordinance got going it would defeat its own ends, as it had not a long term credit. I am sure that my Rt. Hon. colleague is incapable of making use of those statements, and I am perfectly certain he did not make them. I did not hear them, but knowing him I could not attribute those remarks to him.

In studying the 1932 Budget I got on to three figures. I have no intention of complicating the issue by quoting other figures from the Budget. The more you quote the more the issue becomes confused. One outstanding figure is that at the end of 1931 there will be a deficit of £110,000. In other words, Government have not succeeded so far in balancing the 1931 Budget. In 1932 we are budgeting for a surplus of £62,000. I admit all the difficulties in budgeting so far ahead, but I must say that in my opinion those figures are very optimistic and will not be justified, and as far as I am concerned I am going to discount them altogether. I think a nearer figure in the budget for 1932 will be a deficit of £100,000. In the Customs revenue part of the Budget we have it there that £57,000 odd is budgeted for as surplus for 1932. That figure is in excess of the average of 1929

and 1930, it is in excess of both those individual years, and I maintain that there is no justification for the assumption that the Customs will realize that amount of money. We are going through very trying times we all realize. We have already passed through twelve months of an economic depression. It has had its repercussion, and it must be realized by everybody that where you have one bad year with every possibility of the second being a bad year the repercussion will be greater than in the first. I doubt if the hon. the Commissioner of Customs has taken into account several general factors. He may have done so. I have quoted the locusts. They are with us indefinitely. Day after day they are doing an immense amount of damage. It is not only the damage they are doing at the moment, but it is the continual threat that is hanging over the Colony in that direction that makes one pause and consider what is going to be the final result. Uganda, I understand, is very heavily infested. We have several invasions north and south of Mount Elgon in Plateau North, and I have no reason to think these invasions are finished. The Colony generally is in a more deplorable condition considered from the locust point of view than it was three or four years ago, and I can see no abatement of the nuisance at the moment. That is a question on general lines which I request Government to give very serious attention to for future action to be taken. There is also the effect of the repercussion we are getting and are going to get if the Russian Five Years Plan is brought to maturity. It is the effect of dumping in not only the whole world but more particularly the dumping in England which affects the disposal of our cereals. That means increasing as time goes on. We all know that the whole of the Russian nation is conscriptive. I do not wish to go into details now, but this is one of the greatest evils facing the Empire to-day, and it must have an effect on our Budget in connexion with the disposal of our cereals. I know from long experience that times like this are very trying times for people. In my considered judgment this is not the time for hesitation, but it is the time for putting forward an economic policy of development in this country. We have operating now the Land Bank. It is quite obvious to everybody that the sum of £240,000, its capital, is a mere drop in the ocean. It was not started with that capital on the idea that that amount would be sufficient. Originally, the amount asked for was £750,000. The amount of £240,000 was accepted as it was pointed out by the then Secretary of State that we could get on with the Land Bank instead of delaying until the matter had again been referred to the home office. On that suggestion the bank was started, but £240,000 is quite insufficient capital. I

would ask Your Excellency to give very serious consideration to raising money for it. Let us use every means to provide the Land Bank with adequate means to carry out its functions. It was in the first place formed for the purpose of closer settlement, dipping and fencing. It is rather peculiar that closer settlement has not been proceeded with, that the Clearing Bill and the Fencing Bill have not been brought into operation. It has a repercussion in delaying putting these two Bills on the Statute Book of the Colony in delaying settlement, and it is going to handicap in the very near future practically everybody. My own district is more or less in agreement with turning over from maize to mixed farming, but I say, Sir, it will be impossible for them to turn over to mixed farming until both of these Bills become law and the Land Bank has sufficient capital to do the financing on safe and sound business lines. I would also, Sir, at this moment suggest that our land laws require looking into. The Land Bank can advance up to thirty years, but the Crown Lands Ordinance makes its terms of purchase for ten years, and it would be very much better for that reason, and among others it will be put before you shortly by a committee that has been at work on this side of the House producing a scheme that we hope will meet with your approval. I do not wish to go into that at the moment.

With regard to the suggested cutting of the Civil Service salaries, I agree with my colleagues that the suggestion has come forward from this side of the House with no ill-feeling towards the Civil Service. It is a question of expediency, it is a question of equality, it is a question of sacrifice, it is a question of our ability to pay, and I would point out that for some considerable time now this side of the House has been advocating a revision of the terms of the Civil Service. So far, our endeavours have not been brought to fruition, mainly by the opposition from the officers. I suggest it is never too late to mend and that we should at an early date seriously consider the advice given from this side of the House for a revision of the terms of service in this Colony.

Referring to the Public Works Department, Sir, I should like to say and say very definitely that I believe a large sum of money could be saved if the Government would agree to hand over the main trunk roads to District Councils where District Councils are functioning and where those roads pass through their areas. I understand both Nakuru District Council and Eldoret District Council, as well as Uasin Gishu District Council, the Trans Nzoia District Council, have applied for figures covering 1929 and 1930 showing the amount of money that has been spent by the Public Works Department on their sections of the road. At the time I left Kitale,

less than a fortnight ago, they had no reply and they are most anxious to get these figures with a view to helping Government and incidentally helping themselves as it was their intention on studying those figures to put in a definite tender for taking over the main trunk road which would really apply from Nairobi to Lake Rudolf. I maintain, Sir, where you have a District Council operating they are very keen on getting value for the money they spend—they are their own roads, at it were; they are on the spot; and they are much better able to run their staff and supervise their staff than the hon. the Director of Public Works is capable of doing from Nairobi, and I hope it will be given very serious consideration. The District Councils are also very perturbed about the disallowance of the additional grant. As one will have an opportunity in Select Committee—I hope I am not assuming too much that I will be on that Committee, Your Excellency—I will not stress the matter here.

With reference to the King's African Rifles, I am in agreement with my hon. colleague on the right (the hon. Member for Kikuyu). I do not see the necessity of keeping up an organization of some 1,300 odd men at an expense of £96,000 odd to a small Colony like Kenya and neither can I or ever can I agree to the assumption by Kenya and Kenya alone of the responsibility for the protection of her north and north-west frontiers. I understand that Abyssinia is now a member of the League of Nations and for that reason and for other reasons I believe there are many ways where we could get a *quid pro quo* for the damage they do and if we have got to supply the force to keep their own nationals in order then they should contribute towards that force. If it is true, as I believe it is, that we are compelled at the moment to keep that force on the frontier by the authorities at home then I think if they insist on that being done in the future we should demand they should foot the bill. I know, Sir, it is a complicated question but I maintain it is an absolute injustice to this Colony that we have got to stand that amount of money and I believe a very practical scheme could be worked out on the general lines suggested by my hon. colleague for Kikuyu, that is, turn it over to the police and have a part military and a part police force to protect the frontier. I think we would save a very large amount of money. We went into a great deal of detail about transport last year which I do not intend to do this year. I think it would be futile to point out that it is unnecessary to keep transport other than first line transport on a war footing. Transport could be commandeered, if wanted, in Nairobi and Nairobi alone could make any movement in the case of an emergency.

With regard to the wheat question, Sir, I also hope that Your Excellency will give consideration to a scheme of suspended duties, increased suspended duties, for the purpose of preventing the free importation of flour into the Colony to compete with our own wheat.

Once more, Sir, and I hope it will be for the last time in this Council it will be necessary for me again to bring up the question of branch lines. I do so under the vote for branch line guarantees. I hope, Sir, before I sit down even to convince the hon. the General Manager that the policy of mixing the finances of branch lines with the main line is a wrong policy. For the purpose of illuminating this matter I propose to take the Kitale branch line as an example but in principle my remarks will apply to all the branch lines in the Colony, but to put up a case one has to get definite figures and I have neither the time nor the inclination to do what should be done by the Inter-Colonial Railway Council or by the Railway Administration. The Kitale branch line is a line of forty-one miles from Lersert to Kitale. The principle in vogue at present is debiting and crediting the branch lines with their profits or losses out of the branch lines and debiting or crediting the branch lines with the profits or losses made on the main line as the result of traffic from the branch lines. The result of that is, Sir, that you got in 1930 charges on traffic on the main line of £155,962 and charges on traffic on the branch line of £36,246, making a total of £192,208 charges against the branch line of which £155,962 accrued from the main line. In 1929, Sir, the tonnage taken over the Kitale branch line was 58,407 tons, and in 1930 it was 79,721 tons. As shown in the Railway Budget in 1930 the loss on the Kitale branch line was put down as £96,464; in 1929 it was £31,468, making an increased loss over 1929 of £64,996 for an addition of 21,300 odd tons. In other words, Sir, between those two years there was an increased traffic of 21,000 tons and an increased loss of £64,000, or in other words the increase was put down by the Railway at a cost of £3 per ton. Now, Sir, I have given you the Railway side of it and the way the Railway put up the Railway figures. I will give you some figures of my own, Sir, and I hope—although I do not claim that they are down to a farthing, they are approximate figures and on general principles—I hope you will be able to admit them. The Kitale branch line, as I say, is forty-one miles in length. As regards maize we have a flat rate on the main line of Sh. 1 and on the branch line of Sh. 1/25. That is per bag. The Sh. 1 is for the main line and the 25 cents is for the branch line. I propose to deal with the 25 cents. The 25 cents per bag for that branch line gives a figure of Sh. 4/76

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per ton. Taking an average haul—this is where figures very often slip up and I am subject to correction: I do not know what the actual average haul is. The line is forty-one miles and the bulk of the traffic comes from the furthest haul, so I take the average haul at thirty instead of twenty-and-a-half miles. If you take the average at thirty miles, Sir, even on that flat rate of Sh. 2/75 per ton mile it returns to the Railway 9.5 cents. That is the highest figure that any traffic on the Kenya Railway pays, I understand, and it covers interest and redemption. One those figures, Sir, the Kitale branch line to-day is a paying proposition if it was not asked to carry the main line to the extent of over £100,000.

It also has a political significance. Our neighbours in Uganda when they see these figures in the Budget immediately clamour and say that they are carrying the baby. That is incorrect because I have proved they are certainly not carrying the Kitale branch line. It would seem to me that Kenya is opening an orphanage for several babies from Uganda. I should like to point out that we have these branch lines in Kenya which this Government is mostly paying for. We have the taper rate which means that in Kenya we pay more per ton mile than they do in Uganda. There is the Soroti line and I think other lines in Uganda which should be rightly designated branch lines. Unfortunately they are main lines and they have been designated main lines for reasons that we cannot account for. I assert that the Soroti line is making a heavy loss and that is being carried by the Railway in general.

**THE HON. THE ACTING COLONIAL SECRETARY:** On a point of order, I do not think we are discussing at the moment the Railway Estimates.

**HIS EXCELLENCY:** I presume the hon. Member is raising this on the point of branch lines which are in the Estimates. I think he is going a little beyond the ordinary scope of the Estimates raising this very technical branch line question. However, I will not stop the hon. Member.

**LT.-COL. THE HON. J. G. KIRKWOOD:** I wish to give you one more figure. I am simply trying to prove my case that the branch lines, as I have said a moment ago, have a political significance and I was trying to question the political significance in connexion with these figures and for that reason I am trying to make out what I take to be a case that we should get down and restrict the application of branch lines to branch lines and cut them clean away from the main line.

There are other losses which are also claimed are not losses but I maintain they are; that is cotton showing a profit of £13,000 last year and cotton seed showing a deficit

of £79,903, which left cotton and cotton seed handled by the Railway at a definite loss of over £66,000. I do submit that these figures prove a definite case for very serious consideration of the policy of accounting. I am not blaming anybody in particular. It has been brought about by circumstances and I am not quite sure who is responsible, but they are unjust in many ways: they are unfair to the particular districts where the branch lines operate, and in justice to them I do appeal to the hon. the General Manager of the Kenya and Uganda Railways and Harbours to have this matter threshed out at the forthcoming Inter-Colonial Railway Council.

In conclusion, Sir, I should like to say that I have personally the greatest confidence in the ability of this Colony to put its finances on a sound and permanent basis. I believe that with our wonderful climate, with the wonderful fertility we have in the soil, and the will to look after things by the Government backed up by the Elected Members, we will be able to weather the storm. Difficulties, to my mind, are only made to be overcome, and I am perfectly certain that with the co-operation of both sides of the House Your Excellency is indeed in a position to make a record and to hand that record down to the future generations. We will be wanting in our duty to ourselves and our consciences if we do not see to it that Kenya and its finances are put right. I am not a pessimist. We are going through very trying times, but provided we get team work I am perfectly certain we will make a success and it will be remembered for quite a long time.

**THE HON. SHERIFF ABDULLA BIN SALIM:** Your Excellency, if the country is to be run on business lines I would make bold to suggest to Your Excellency that you should go very deeply and thoroughly into the existing staffs of the various departments of the Civil Service. For any job of work which an African can do just as efficiently a European or Asian should never be employed. It is a well-known fact that most of the work in the actual Government departments is done by Asians, and in a great many cases you would find that Europeans are there just to initial the papers prepared by Asians and spend the greater part of the afternoons fixing appointments on the telephone for golf and tennis and inwardly cursing the lazy clock, which moves so sluggishly that they wonder if it is ever going to strike the blessed hour of five. If Your Excellency determines to run the Administration of the Government with the utmost possible economy, consistent with efficiency, I would say that at least 50 per cent of the staff employed in the various departments of the Civil Service could be safely dispensed with. I know that in these days of chronic unemployment it is very unpleasant



to contemplate the retrenchment of staff, but the sin of throwing so many people from their soft jobs would have to be borne not by Your Excellency but by your predecessors, who have deliberately built up this costly Administration.

**THE HON. THE ATTORNEY GENERAL (MR. A. D. A. MACGREGOR, K.C.):** Your Excellency, in the course of the debate various questions were asked and various statements made and various arguments adduced, all of which definitely raised legal points, and that fact must be my justification for intervening in the debate. The points raised are comparatively few, and with one exception comparatively simple, so that I do not think it will take me many minutes to deal with them. The first point that I had intended to deal with was the statement made yesterday by the hon. Reverend Member representing native interests. Fortunately, my hon. friend the hon. Member for Plateau North has intervened and has rendered it unnecessary for me to say anything except one word in addition to what he has said. His statement as to the position of individual natives under the Land and Agricultural Bank Ordinance was strictly accurate, but a Local Native Council is by section 41 of the Ordinance placed in exactly the same position as a local authority with regard to getting assistance from the bank for the compliance with the compulsory provisions of the Cleansing and Fencing Ordinances.

That brings me to my second point. The hon. Member for Plateau South asked a question as to the position regarding these two Ordinances, the Fencing and Cattle Cleansing Ordinances. It is, shortly, this. Both Ordinances were assented to on December 31st, 1929. Each of them contained a suspending clause providing for their enforcement by proclamation. No such proclamation has yet been issued for the reason that no signification of His Majesty's pleasure regarding them has yet been received.

The Noble Lord, the hon. Member for Rift Valley, raised a number of points regarding the Land Bank Ordinance. If I correctly understood them, they seemed to me to deal rather with loan projects than strictly with the Budget for the coming year. It was because that was the inference that I read into his remarks that I do not propose to deal in detail with them. I would only remark to the Noble Lord that as the bank is at present constituted none of these charges could be undertaken by the bank. The undertaking of additional activities would necessitate an amendment to the statute as it now stands.

**THE RT. HON. LORD DELAMERE:** Question!

**THE HON. THE ATTORNEY GENERAL:** I stand unconvinced, Sir.

**THE RT. HON. LORD DELAMERE:** Your Excellency, on a point of explanation, as the hon. and learned Member has suggested I was out of order, in that I was wrongly reported. I said that the first thing to do was to loosen up about £60,000 a year to start with to pay the interest on a million pounds to put into the Land Bank, and that appears to be a perfectly proper thing to raise under the Orders of the House on the Budget.

**HIS EXCELLENCY:** I am afraid that you cannot speak a second time.

**THE RT. HON. LORD DELAMERE:** On a point of order, Your Excellency, is it necessary for a Member on the other side to justify the point that he is only dealing with matters in his own department in order to intervene in debate?

**THE HON. THE ATTORNEY GENERAL:** It is quite unnecessary for me to endeavour to cover the whole field over which the argument has ranged because the task is in far more competent hands. I am sorry that the Noble Lord misunderstood me. I merely mentioned my own view that the proposal savoured more of loan than Budget provisions in general, and I merely mentioned my own view that the proposal savoured more of loan than Budget provisions in general. I still maintain—I may be wrong of course—that the implementation of this would involve amendment of the Ordinance.

The Noble Lord later on, presumably with a view to effecting economies in the coming year, suggested two changes in the pension system—the raising of the age of retirement from 50 to 60 years, and the abolition of what he called the ridiculous rule that an officer may retire after 20 years' service. Again I would say, firstly, that that would involve an amendment to the pension law. On the first there may be a slight confusion of ideas. An officer under the pension law in the Service is entitled to retire at the age of 50 years, and equally the Government is entitled to call on him to retire. Government does not frequently exercise that right, as I think hon. Members will see when they look at my colleagues on this side of the House, but that right is there. Officers have it by statute, and there are no means of preventing their exercising it. It is, of course, competent by legislation to increase that age, but it would apply only to future entrants to the Service, as the present entrants are serving under the conditions on which they joined, one of which is the provision of the 1927 pension law. The "ridiculous rule" came to an end on the first of April, 1927. It was merely a perpetuation in legislation, and that was of the provisions of the prior pensions legislation, and that was of the provisions prior to that date were serving. It has no application to officers joining the service after that date, and it was 20 years of East African service, not the aggregate service throughout the British Empire. Before

passing from this question, I would say a word about what the hon. Member for Nairobi North said yesterday. He hoped the cut in salaries would apply not only to salaries but to the pensions list also.

COL. THE HON. W. K. TUCKER: Your Excellency, on a point of explanation, I did not quite say that. I suggested that if the cuts were proceeded with in regard to salaries the application to pensions had better be considered.

THE HON. THE ATTORNEY GENERAL: I accept that, Sir. I can only say in answer to that statement that pensions to my mind even more than salaries are a right of the Civil Servant. I will be told, of course, that no officer has a right to a pension, that he qualifies, and that it is an act of grace if he gets one, but I do hope, Sir, that I am right in saying no right-thinking man or true friend of Kenya, in a time like this when publicity of the right sort is obviously so much sought for by every Member of the Council, will start in suggesting that this Government should interfere either with pensions already granted in respect of past service or with pensions for which an officer has qualified or is shortly about to qualify. The position between pensions and salaries is entirely different. Furthermore, there is the practical difficulty. Many pensions are not paid by this Colony in full. There is complete inter-locking between different Colonies in the matter of pensions now, and many pensions though granted formally from the funds of this Colony are to a large extent borne from the funds of other Colonies in which the officer has served. Joint action between the various Colonies would be necessary before real and true effect could be given to the suggestion of the hon. and gallant Member.

I am sorry the hon. Member for Mombasa is not here, Sir, because once again he has entered the lists with a complaint against a Government Department, but with the distinct disadvantage that he did not know the exact Government Department he was tilting at. I should like to give him a very short answer to his point. The Registration of Titles Ordinance was passed in 1919. In 1924 on the motion of Mr. Warren Wright who was the then hon. Member for the Coast a Select Committee of this Council was established to consider that legislation and report. That Committee reported and put up an alternative Bill. That Bill was sent to both the Law Societies—the Law Society of Kenya and the Law Society of Mombasa—and was in turn rejected by both of those bodies. Another Committee was then set up, Sir, on which both of those Law Societies were represented. That Committee reported to Government in the early months of last year with the express recommendation that the question be referred to the next Law Officers' Conference in the hope that the Law Officers of the three territories would be able

to evolve a suitable system of registration of titles for introduction in all the territories, based, it is suggested, on the Uganda law. There has not been a Law Officers' Conference in the last year or this year but it is hoped it will be possible to convene one next year, that matter will then be on the agenda.

There remains for consideration the view which all hon. Elected Members apparently share that there should be a cut in the salaries of Civil Servants. On that one remaining point, Sir, I crave leave to say a few words. Firstly, Sir, on behalf of the Civil Service I very cordially welcome the assurance given by the Noble Lord, the Member for Ukamba, that in this suggestion there is no hidden antagonism to the Service. I should like further to say, Sir, with the reluctance to make the suggestion which was voiced by both the Noble Lords in the course of the debate, by them and their colleagues, that in the opinion of the Service a graded cut like that is a very specious remedy for times of distress such as these. I do suggest, Sir, and I hope to convince hon. Members, firstly, that the suggestion has been made without fully weighing the implications which are necessarily involved in it; secondly, that it is in fact little or no remedy at all.

THE HON. T. J. O'SHEA: On a point of order, is the hon. Member in order in imputing incompetence to Members in that fashion, that they put forward a suggestion without knowing its implications?

THE HON. THE ATTORNEY GENERAL: Surely, Sir, that tells for no reply.

The salary of an officer is a contractual obligation. I mention this because the question was by implication asked of me yesterday but there is no reason why that contractual obligation should not be terminated if statutory provision for its termination is made. But, Sir, a reduction of salaries necessarily must involve a reduction of pensions because under the law pensions are based on the pensionable emoluments and pensionable emoluments consist of salary and house allowance which again represents 15 per cent of the salary of an officer with a maximum of £150, and so, Sir, a reduction of salary definitely commotes a corresponding and proportionate reduction in pension.

THE HON. T. J. O'SHEA: Certainly.

THE HON. THE ATTORNEY GENERAL: Are hon. Members opposite, Sir, prepared—and again I would remind them of the desire which they have expressed for publicity of the right kind for the Colony—to interfere not only with the salaries (that can quite easily be done) but with the accrued pension rights of officers? Had they in mind when they

made this suggestion the fact that there are in the Service to-day officers filling very responsible posts indeed who are costing the Colony little or nothing for the reason that they have already qualified for their maximum pension under the law? I do suggest, Sir, that as long as human nature is human nature it is quite inconceivable that one of those officers will stay a day longer in the Service; the effect of their staying would not only be that they would be serving at a reduced salary but every month that passed would reduce the pension for which they are already fully qualified. Are hon. Members opposite, I wonder, Sir, aware of the fact that there are in the Service to-day fifty officers who are entitled by law to go on pension whenever they desire so to do? Were those fifty officers so to elect, Sir, I am given by the Establishment Officer of the Secretariat a figure of £500 pensions already accrued to each one of those officers. If those fifty officers were to elect to go, Sir, the capital cost in commuted pension would be £62,500. The addition to the pension list, which we were reminded by the hon. Member for Nairobi North yesterday is already intolerably burdensome, would be £18,750 a year—and that to save the sum which we were given yesterday at £110,000 for one year.

**THE HON. T. J. O'SHEA :** Sophistry.

**THE HON. THE ATTORNEY GENERAL :** That would be the effect if those fifty officers were to go; that is the financial effect. There is, I suggest, probably far more in it because it would effect a completely chaotic dislocation in many Departments by the retirement not on any scientific plan dictated by the Heads of their Departments but by the departure perforce of most of the senior and most of the experienced officers. It seems to me, Sir, even financially, putting it to the acid test of money, hardly to be very much of a remedy.

One further point. I wonder whether hon. Members have considered the effect of such a suggestion on the very nicely adjusted actuarial calculations on which the Widows' and Orphans' Pension Fund is based? Each contributor, I would remind hon. Members, Sir, has a registered pension that is calculated according to actuarial tables on his contributions and his contributions in turn are based upon his salary. If the salary is decreased the contribution is decreased. I do not for a moment imagine, Sir, that any hon. Member would be prepared to go so far as to break faith with their officers in a matter such as the pensions which would be due to their widows and orphans. Yet, Sir, a reduction of contribution might very easily materially mar the whole financial stability of the scheme. Such a reduction would necessarily follow upon a cut in salaries. Those, Sir, are a few of the

more obvious objections to the suggested cut in salaries; I do hope that hon. Members will not for a moment imagine that I cannot give very many more but I think I have taken up quite enough time by what I have said.

**THE HON. T. J. O'SHEA :** May I ask the hon. Member to favour the House with his other objections?

**HIS EXCELLENCY :** Order, order. You must not interrupt the hon. Member.

**THE HON. THE ATTORNEY GENERAL :** I should go on for the rest of the morning.

**THE HON. T. J. O'SHEA :** Carry on.

**THE HON. THE ATTORNEY GENERAL :** I do suggest I have said enough to show that an arbitrary cut, whether it takes the form of the suggested flat rate of 10 per cent or a cut on a sliding scale, is an expedient which on fuller consideration must be rejected. But, Sir, there is a means of effecting a cut in the salary of officials, there is a means of effecting such a cut without entailing any of the consequences to which I have drawn attention.

**THE RT. HON. LORD DELAMERE :** Income tax, for instance.

**THE HON. THE ATTORNEY GENERAL :** There is a means which is fair in its incidence to everybody and that means is open to this Council at any time during this present Session or at any subsequent Session. That means, Sir, is by the imposition of an income tax in the Colony.

**LT.-COLL. THE HON. LORD FRANCIS SCOTT :** At the risk of ruining the Colony.

**THE HON. THE ATTORNEY GENERAL :** That is the path which I suggest leads to the true equality of sacrifice.

**THE RT. HON. LORD DELAMERE :** On a point of order—quite a genuine one, Sir—it is most inconvenient to this side of the House when an hon. gentleman like the one who has just spoken speaks last. He asked a lot of questions from this side of the House which could very easily have been answered. It was not the custom in this House over a long series of years for Government to wait till the very last moment and then put up something to reply to the whole debate. I suggest, Sir, that it is a new principle. We want to get down to the facts of the case. It means that these things have to be debated in the Committee on the Estimates which is not the proper place to debate principles.

**THE HON. THE ATTORNEY GENERAL:** On a point of explanation, Sir, I had no intention of waiting. In the first place, I did not reply to the whole debate in the manner suggested, and in spite of my bulk I failed to catch the speaker's eye as early as I might have.

**THE RT. HON. LORD DELAMERE:** I was not dealing personally with any person. I was dealing with the position here, Sir, under which after every argument has been put forward from this side of the House and everybody has spoken it has apparently lately become the custom for the Government either to order—I presume it must be an order—that hon. gentlemen on the other side of the House shall not speak until the whole thing is over. It is very easy then, of course, to put forward arguments.

**HIS EXCELLENCY:** The Noble Lord will remember that I in no way favour one side of the House or the other. Any hon. gentleman on either side of the House can, provided the Standing Orders are complied with, intervene in the debates if he so wishes—anybody who catches the speaker's eye.

**THE RT. HON. LORD DELAMERE:** Well, Sir, I hope you will look towards the other side of the House.

**THE HON. THE ACTING CHIEF NATIVE COMMISSIONER (MR. A. DE V. WADE):** Your Excellency, the hon. Member for Plateau South raised two points which are to me of enormous importance and to which I wish with Your Excellency's permission to reply. The first concerned the estimate of the amount anticipated to accrue from the native hut and poll tax and the second concerned development in the Native Reserves.

**HON. T. J. O'SHEA:** Your Excellency, as the hon. Member is good enough to attempt to answer a question of mine, I should like to say that my query was not in relation to the hut and poll tax alone but the total amount estimated to be derived from native sources, including the hut and poll tax.

**THE HON. THE ACTING CHIEF NATIVE COMMISSIONER:** I accept that, Sir, and am sorry that I misunderstood the hon. Member, but as the native hut and poll tax supplies almost the whole amount of native taxation, except Customs duty, which is unascertainable at present, what he has said is not very materially affected.

**THE HON. T. J. O'SHEA:** It is.

**THE HON. THE ACTING CHIEF NATIVE COMMISSIONER:** The first point raised naturally resolves itself into two parts. The first is an approximate estimate of the revenue under the hut and poll tax, and the second, if I understood him aright, the ability of the native to pay without undue hardship. Those are the two aspects that I would like to deal with first.

First, as to the estimate of the amount put down, it has naturally received the greatest and most careful consideration by those men in the Colony best qualified to estimate, the Provincial Commissioners and the District Commissioners, men actually on the spot. The hon. Member will realize the difficulty of prophesying what is going to happen in 1932 when you have not yet got the results of 1931. But when all that is said and done, these Estimates are framed on the best local knowledge available, and the Commissioners consider the amount inserted in the Estimates is the amount that may be reasonably expected to be realized from the hut and poll tax on its present basis. That present basis is that with one or two exceptions the amount is Sh. 12 a head or Sh. 12 a hut.

As to their ability to pay this amount without undue hardship, that is a point which naturally has caused us a certain amount of anxiety.—The hon. Member quite rightly said that the native revenue is derived from two sources—the sale of his produce and the pay for his labour. As to the sale of his produce, the last figures of the agricultural census show that in a particularly bad year their exports were estimated at the value of £395,000; call it roughly £400,000. I admit that was very disappointing, but hon. Members will realize that the amount would have been greatly exceeded if the prices for produce were anything like normal. In addition to that amount, they got a very great deal, although it is unascertainable, for the sale of their produce for internal consumption in Kenya. The hut and poll tax liability is £600,000, actually the estimate is £580,000. It may be taken as a rough approximation that the native can, and does, provide for the tax by the sale of his surplus produce. In addition, the natives receive in wages in a normal year just under two millions of pounds. That, Sir, I may suggest in parenthesis, might afford some food for reflection for those people who credit us who are particularly charged with the promotion of native interests, with the desire to see the wholesale abolition of white settlement. (Hear, hear.) I do think it may also provide a certain refutation of the slander sometimes levied against us that we drive out the native to work for white settlers against their will by oppressive taxation. If they can get the whole of their taxation by the sale of

their produce, and on top of that earn three or four times the total of the taxes, it looks as if some at any rate have no objection to the process. (Hear, hear.) I have recited these figures in order that hon. Members may have some basis on which to calculate whether or not the natives can pay without undue hardship. In a normal year there is two millions over and above actual requirements for food and tax. That is not mere guesswork, it is only an approximation but it is based on the following figures. Now, Sir, the figures of the Chief Registrar of Natives for every month show over 150,000 natives working under contract under the Employment of Natives Ordinance. He tells me the average amount of wage may be taken to be £1 per month. In that connexion I would ask hon. Members to consider that between 11,000 and 12,000 are employed in domestic service, and their average wage, of course, brings up the average wage on the farms. The Chief Registrar assures me that to take it at £1 is a fair amount, that that can be accepted as the average wage. And £150,000 a month gives £1,800,000 a year. I realize that in times like this the native cannot escape his share of the financial depression and that he cannot get the wage of a normal year, and I know that that amount of two millions may not be realized. It is reduced largely by the fact that the average wage must come down, and is to some extent also reduced by the demand for labour probably decreasing, but hon. Members may be as surprised as I am to find that the decrease in the number of employed appears to be infinitesimal. The figures of actual engagements last July appear to be a record: there were 18,000 engaged and 17,000 discharged. It is perfectly true that in the first six months of the year the discharges have slightly exceeded engagements, but I find that the average has maintained itself in a way that is to me very surprising. With these facts before us, it remains to be decided whether we are to alter the basis of taxation or to remit some part of the Sh. 12 or to maintain the Sh. 12 rate. I myself am convinced, Sir, that we should be acting more in their interests if we retain the rate at Sh. 12, with consequent services, than if we reduce the rate with the necessary and inevitable curtailment of the services, because in this respect I agree with the hon. and Noble Member for Rift Valley in thinking we shall be treating them better by giving them a forward policy rather than submitting them to a policy of stagnation.

The next point was the development of the Native Reserves. The hon. Member asked what was Government's policy in connexion with the Native Reserves. Government's policy, Sir, is to develop these Reserves to the fullest realization of the possibilities of their natural resources. The pace

at which that development can proceed must obviously be conditioned by the funds available, but I have no hesitation in saying that a great deal more has been done than our critics and detractors would have the world believe. (Hear, hear.) The hon. Member, unless I misunderstood him, said the Reserves had been scandalously neglected. That is, Sir, a very grave charge, a very serious accusation against the Government of this Colony, and that charge must be either accepted with the deepest humility or must be repudiated. I have no intention of donning the garb of humility in this respect. Naturally development has not proceeded at the pace any one of us would wish, we have not the money to do it, but a very great deal has been done. In the Medical Department great progress has been made and a number of very up-to-date and satisfactory hospitals have been recently built. Among them are hospitals at Kisii, Machakos, Kitui, Kerugoya, Weso, Kiambu, and Meru. These hospitals are only part of a long range hospitalization scheme for the whole of the Native Reserves. That scheme involves the establishment of twenty-nine of these hospitals, of which eighteen are already in existence. Together with that scheme are a very large number of dispensaries all through the Reserves, provided and maintained by money from local councils. Campaigns for the eradication of disease and for sanitation in native villages are meeting with success beyond our highest expectations. In the medical services a very great deal has been done and is still being done for the natives in the Reserves.

On the agricultural side there are officers who are devoting a very great deal of expert knowledge and work and attention to the Native Reserves. There are seed farms and experimental plots and the best kind of seed is given out to the natives; they are working in with administrative officers and very great progress is being made. The Reserves particularly mentioned were the Ukamba Reserve and the Masai Reserve. The Ukamba Reserve is certainly a problem. The hon. Member was quite right in saying that it had been greatly denuded by over-stocking. Incidentally, over-stocking is not a problem peculiar to this country. It exists most certainly in other parts of Africa and from reports that I have read of other Colonies who have had greater experience than ours they have found a solution no easier to reach. But the Ukamba Reserve is not being neglected. A policy of reconditioning is being steadily pursued and has been pursued for the last three or four years. The Local Native Councils are very alive to what has got to be done. They are planting forests to preserve the hillsides and they are doing everything they can to restore their country to some measure of prosperity.

THE RT. HON. LORD DELAMERE: Without de-stocking?

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER: At present without de-stocking. No one regrets more than I do that the proposal to establish a meat factory is temporarily in abeyance. I would ask hon. Members to believe that that proposal has not been abandoned. Had it not been for this financial depression I think I am right, Your Excellency, in saying that provision would have appeared for it in these Estimates, but it was felt that owing to the necessity, the absolute necessity for economies in all directions, Government was not justified in asking for about £60,000 in next year's Estimates.

The Masai Reserve has not been by any means entirely neglected. A Veterinary Training Centre has been established at Ngong and any who wish to learn the principles of animal husbandry. There are a number of ghee factories established throughout that Reserve. Then at Laotokitok there is a great deal of educational development.

THE RT. HON. LORD DELAMERE: Again without de-stocking?

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER: Again without de-stocking. On the veterinary side Training Centres have been established at Ngong, Maseno, Sangalo, Isiolo, Machakos and Nandi, and there is under consideration now by Government a long-range scheme of veterinary development which has been formulated somewhat on the lines of the hospitalization scheme to which I recently referred. In the realm of education the danger is that progress is advancing at possibly a greater pace than our powers to control it. It is within the knowledge of all Members of this House that the number of schools of all kinds has increased enormously and that Local Native Councils are forever voting large sums of money for education. I would emphasize the fact that that is not confined to literary education. In recent times the Native Industrial Training Depot has been established at Kabete and the Jeanes School is fulfilling all expectations—it is, I believe, an institution of the greatest possible value. But the greatest, possibly, and most obvious development of the Native Reserves is visible in what has been done in the way of roads and bridges. Large sums have been spent from loan, from revenue and from local native funds in providing communications through all these Reserves. Not only now have they the advantage of many branch lines but they have the advantage of reasonably good district roads and trunk roads and they themselves have provided local roads. The immediate result that is visible to any one of us who have been out in the country for any

length of time can be seen in the difference even if one goes from here to Fort Hall. About fifteen or twenty years ago any one will have seen long lines of women with loads up to about 200 lb. on their bent and straining backs in long files climbing up and down those steep hillsides. Now wheeled vehicles of every sort and kind, from the two-wheeled ox-cart to the six-wheeled lorry, go out to the fields where the stuff is actually grown. They can transport it to the trading centres and to the markets. It is in that respect, I think, that the greatest development can be seen; and that brings me to another point that has been mentioned and that is marketing and co-operation. There too I can assure hon. Members there is a very considerable advance. On Tuesday at Fort Hall I was talking to a native who had organized a producers' association and between them they seem to have anticipated many of the provisions of the Bill that was recently before this House. They had made a condition that every member should deposit Sh. 120 and that anyone who broke their rules should forfeit his deposit immediately. The day before that at Karatina I saw a store that was being run by the Karatina Kikuyu Traders' Association. It is a very good building and there was a very good clerk in charge. There were 167 bags of maize in their store and the Association charged 6 cents for putting each bag in that store and a bag could stay there for a month. There is a similar store at Maragua which I also visited; the Local Native Council built it and is letting it to the native traders' association.

Your Excellency, I am sorry to have taken up so much of the time of the House in reciting all these directions in which I consider development has taken place, but it seemed to me that there was possibly a misunderstanding about this. We are frequently the subject of baseless attacks and baseless criticisms of all sorts in the papers at home and elsewhere and we suffer from ill-grounded comparisons with the Governments of other colonies and territories and I was glad to take the opportunity of giving expression to my belief that we have nothing whatever to fear from genuine and honest comparisons or from genuine and honest criticism. (Applause.)

Now, Sir, perhaps I may turn to one more point and that merely by reason of my position as President of the Civil Service Association, in connexion with the proposed cut in salaries. First of all, on behalf of my Association I should like to express my appreciation of the considerate terms in which this proposal has been mooted and to assure hon. Members that my Association will certainly not regard it as an attack upon us. It may be an open secret that we ourselves discussed it, and I want to say—which I hope hon. Members will believe—though I cannot of course commit the

Association to an acceptance of my views—I am in touch with well-informed thought from members of the Service and I do believe that a great many of them will agree with me when I say that we are perfectly prepared to shoulder a reasonable share of the common burden, but we cannot—I am sorry I cannot—agree with hon. Members in this: we cannot think that a cut in salary is the best way to set about it. A cut in salary must inevitably breed a sense of insecurity and suspicion. We should never know when we were going to be cut again and we feel that Government could get the same amount of money out of us by taxing our salaries rather than by cutting them and we cannot help feeling that the fairest way to put a tax on our salaries is to put a tax on incomes. If, as seems to be suggested, we are the only people who have any salaries worth taxing then we shall be the only people to pay, no one else need worry; if there are other people with incomes worth taxing—and I am thinking particularly of business men, professional men, doctors, lawyers, builders, contractors, architects, and possibly here and there some successful merchants—we do not see why they should be debarred from sharing with us the honour of coming to the Colony's assistance. But we do feel that nothing would do more to discourage future entrants to the Service and nothing is more certain to impair the credit of the Colony than any suggestion that contracts with its servants were written on scraps of paper.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I am going to adopt the practice which on two occasions before I have used, that is making no sort of detailed reply in winding up the debate on the motion that we go into Select Committee. There have been two chief issues, I think, raised—one is, of course, on the question of criticizing the revenue side of the Estimates. Two Members are chiefly concerned in the revenues of the Colony, the Commissioner of Customs and the Chief Native Commissioner, and they have already replied to that.

The other side has been largely on the question of the development of agriculture which must necessarily depend on, as I understood the speakers on the other side, the provision of loan funds and therefore the inclusion of interest charges in the expenditure side of the Estimates. All I have to say is this: the Government proposes to take Members opposite into its fullest confidence and to discuss every sort of issue in this Select Committee, and I think I can leave the matter at that.

I was accused of using the term "opposition"—well, I have used it many times before.

THE RT. HON. LORD DELAMERE: "Semi-opposition" was a new term to us.

THE HON. THE ACTING COLONIAL SECRETARY: That is even less offensive, perhaps, than the term "opposition".

THE RT. HON. LORD DELAMERE: I did not suggest it was offensive.

THE HON. THE ACTING COLONIAL SECRETARY: I take it, Sir, that it will probably be the wish of Members opposite—I will use that term—Members opposite to get down to business as soon as possible and all therefore I propose to do is to move formally the Select Committee which is the subject of this motion. The proposed Committee will be:—

The Hon. the Treasurer,

The Hon. the Acting Chief Native Commissioner,

The Hon. the Acting Commissioner for Local Government, Lands and Settlement,

All Unofficial Members,

and such Heads of Departments *ad hoc* as are required, with myself as Chairman.

HIS EXCELLENCY: The question is:—

"That the draft Estimates of Revenue and Expenditure for the year 1932 be referred to a Select Committee."

The question was put and carried.

*The Council adjourned sine die.*

FRIDAY, 11th SEPTEMBER, 1931

The Council assembled at 11 a.m. at the Memorial Hall, Nairobi, on Friday, the 11th September, 1931, His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

The Proclamation summoning the Council was read.

#### ADMINISTRATION OF THE OATH.

The Oath of Allegiance was administered to:

##### *Nominated Official Member:*

SAMUEL FREDERICK DECK, Provincial Commissioner, Masai.

##### *Temporary Nominated Official Member:*

CYRIL OWEN GILBERT, Surveyor General.

#### MINUTES.

The minutes of the meeting of the 28th August, 1931, were confirmed.

#### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. H. T. MARTIN):

Report on the work of H.M. Eastern African Dependencies' Trade and Information Office, London, from 1st January, 1930, to 31st December, 1930.

By THE HON. THE DIRECTOR OF MEDICAL AND SANITARY SERVICES (DR. J. L. GILKS):

Report of Committee on Grants-in-aid of African Hospitals.

By THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG.-GEN. G. D. RHODES):

Report on the Audit of the Kenya and Uganda Railways and Harbours Accounts, 1930.



## ORAL ANSWERS TO QUESTIONS.

WAGISHU MURDER—REPORT OF COMMISSION OF INQUIRY.

THE HON. T. J. O'SHEA asked :—

1. When was the Report of the Commission of Inquiry into the Wagishu Murder trial presented to Government?
2. What is the explanation of the delay in giving the Report publication?
3. When may publication be expected?

THE HON. THE ATTORNEY GENERAL (MR. A. D. A. MacGARROD, K.C.): The Report of the Commission of Inquiry into the Wagishu Murder Trial was presented to Government at the end of November, 1930.

The Report has since been under consideration by Government in consultation with the Secretary of State.

2. The Commission's terms of reference were :—

- (1) To enquire into the circumstances in which four men—Okube s/o Oboro, Mafuabi s/o Waselwa, Matanda s/o Wabduka and Kutosi s/o Maratse—were charged with the murder of one Kimangich near Kitale in April, 1928, and the conduct of the police officers who were charged with the investigation of the murder and the preparation of the case against the four accused, and to report whether any of the said police officers were guilty of conduct prejudicial to the proper administration of justice.
- (2) To enquire into the conduct of the law officers of the Crown in the various stages of the trial, their presentation of the case before the Supreme Court, and the Court of Appeal for Eastern Africa, and otherwise in the prosecution of the four men above mentioned, and to report whether in any respect the conduct of any of the law officers is deserving of censure or in any way inconsistent with the traditions of the profession and the duty they owe to the public.

In regard to the first term of reference the Commission found that certain of the Police Officers concerned in the preliminary enquiry and the conduct of the case were guilty of grave irregularities, and that prisoners and witnesses were intimidated and ill-treated by native Police resulting in false evidence being given in Court and the accused being committed for trial on a charge of murder. Moreover, the Commission found that the Assistant Inspector who conducted the

Police enquiry was deserving of censure in regard to his failure to comply with essential provisions of the law in regard to the conduct of such enquiries, his failure to preserve an essential exhibit in the case in order to allow of analytical examination and his unlawful detention of suspects.

In regard to the second term of reference, the Commission's Report entirely exculpated the Law Officers of the Crown who were charged with the conduct of the case.

3. The findings of the Commission were subsequently reviewed by the Governor in Council where the opinion was recorded that the Inquiry revealed no inherent defect in the system of administration or the regulations governing the conduct of the Police Force, and that any blame that there was attached to the actions of individuals in interpreting general instructions. A further departmental enquiry was directed with a view to establishing the degree of responsibility, if any, devolving upon the Assistant Superintendent of Police at Kitale, who had not been required to give evidence before the Commission.

4. At the departmental enquiry held by the Commissioner of Police it was clear that the Assistant Superintendent of Police at Kitale had failed to give the conduct of the case the personal supervision and direction required of him by Police Orders and a severe censure was awarded by the Governor to the officer concerned.

The Assistant Inspector responsible for the conduct of the enquiry has left the service.

An independent Police enquiry showed two members only of the native Police to be at fault in regard to the intimidation and ill-treatment of witnesses, and these were punished, one by imprisonment and the other by reduction in grade.

5. The Commission expressed dissatisfaction with the conduct of the case by the Committing Magistrate at Kitale. The Governor in Council was, however, of opinion that there were no grounds for the allegations made by the Commission against this Magistrate and the matter was outside the Commission's terms of reference.

6. It is proposed to institute a further enquiry into the question of the administration of criminal justice in relation to natives. Government is in communication with the Secretary of State for the Colonies and with the Governments of Uganda and the Tanganyika Territory in regard to this further enquiry, and is not yet in a position to make a definite statement on the subject.

Pending this further enquiry it is the opinion of the Secretary of State, and of this Government, that it would not be desirable to publish the present Report. The Report will, however, be published in full with the evidence when the report of the further enquiry is itself published.

THE HON. T. J. O'SHEA: Your Excellency, arising out of that answer, may I ask whether it is Government's intention to get on with this second enquiry in the immediate future and to hasten its conclusions?

THE HON. THE ATTORNEY GENERAL: I would only repeat, Sir, what occurs in the last paragraph but one of this very lengthy answer, that "Government is in communication with the Secretary of State for the Colonies and with the Governments of Uganda and the Tanganyika Territory in regard to this further enquiry." If the co-operation which is so essential in a matter such as this is undertaken by the adjacent territories there will be no avoidable delays, Sir.

THE HON. T. J. O'SHEA: Arising out of that answer, Your Excellency, in view of the fact that the scope of the enquiry has now been extended to two other territories, may I ask that every possible effort will be made by Government to hasten the conclusion of their negotiations to that end?

HIS EXCELLENCY: I can give the hon. Member that assurance. I am as anxious as the hon. Member to see that it should be carried out as quickly as possible.

#### AFRICAN CLERKS.

THE HON. F. A. BEMISTER asked:—

"Are there any Africans employed as clerks in Government Service who are on the same scale of salary and emoluments as are attached to the non-European Clerical Staff as set out on page 4 of the Draft Estimates, 1932. If so, how many?"

THE HON. THE ACTING COLONIAL SECRETARY: There are twenty-four Arab and African clerks in the Service who are serving under the terms in force for the Asian Clerical Staff.

THE RT. HON. LORD DELAMERE: On a point of order, Your Excellency, I did put in three questions to the Clerk of Council which would take five minutes for the hon. Member to answer and I am rather upset that they are not on the Order of the Day.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I think the answer is that they have been put in at rather short notice.

THE RT. HON. LORD DELAMERE: It is not a question of rather short notice, it is a question of the rights of Members of the House, Sir. I mean if they are not included surely it is somebody's business to get up and say that owing to other business arising it has been impossible to answer those questions.

HIS EXCELLENCY: Did the Noble Lord give the notice required by Standing Orders?

THE RT. HON. LORD DELAMERE: I think so. I am not blaming anybody but I do want answers to them. They would only have taken five minutes to answer.

THE HON. THE ACTING COLONIAL SECRETARY: The Noble Lord's judgment as to how soon a question can be answered may be a little different from that of the Government which probably wants to answer the question fully and completely. This is an *ad hoc* special emergency meeting and so far as I know the particular questions in view are not of the same degree of urgency as the object of this meeting.

LT.-COL. THE HON. C. G. DURHAM: With regard to the period of time that should elapse, may I ask when I may expect the answer to a question I put in six months ago?

THE HON. THE ACTING COLONIAL SECRETARY: Possibly in another six months' time.

THE RT. HON. LORD DELAMERE: The hon. gentleman says that these things are not important. In one case the question was what had happened with regard to the Butter Levy Ordinance which was passed almost as an emergency measure, as a measure which required dealing with at once: I wanted to know whether the Board had been formed or what was happening with regard to it. Surely that could have been answered in five minutes by anybody. I have forgotten what the other questions were for the moment. It is the ordinary course of business to know what has happened to a Bill. That is all.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I think probably that in lieu of a spoken answer at the moment it may meet the Noble Lord's requirements if a written answer is given in the next day or two.

THE RT. HON. LORD DELAMERE: Yes, Sir. I may say, Sir, that personally I have no feeling about it particularly. I happen to represent the chairman of the Co-operative Creameries who produce three-quarters of the butter manufactured

in the Colony. I think an answer could have been given to that to-day. I understand Government's difficulties. I think if it had been anything that could not have been answered quickly I should not have put it in at the last moment.

THE HON. THE ACTING COLONIAL SECRETARY: I can only suggest that perhaps the Noble Lord is not necessarily the best judge as to how quickly an answer can be given by Government because there are always factors which Government have to consider which cannot be known to the Noble Lord, but I think I can give him a pledge that at least a written answer can be given in the next day or two.

HIS EXCELLENCY: I hope that will satisfy the Noble Lord.

THE RT. HON. LORD DELAMERE: Arising out of that I should like to say this, that the hon. gentleman said that with regard to the whole three questions. When I showed him what one of the questions was, having forgotten the other two, he quite definitely claimed that it could have been answered quite quickly because he said it would be answered as soon as possible.

THE HON. THE ACTING COLONIAL SECRETARY: As soon as possible.

THE RT. HON. LORD DELAMERE: I think we have got into a bad habit with regard to questions. I should like to ask for an answer with regard to this question by the hon. Member for Kikuyu. There is a rule here which says two days' notice. Naturally it depends on the question how soon it can be answered but some reason has got to be given or something of the sort why it is not answered in this House. The rights of Members are that they can ask a question and Government has got to answer it—that is a right.

THE HON. THE ACTING COLONIAL SECRETARY: I do not want to prolong this questioning and answering but there are two ways of answering a question: one is satisfactory and the other is giving an answer which is not satisfactory. So far as I am concerned, I very much prefer, and I am sure most Members prefer to have an answer which is satisfactory rather than an answer within a statutory time which is probably completely unsatisfactory.

THE RT. HON. LORD DELAMERE: I did not know the second way came into Government's calculations, but it apparently does.

## BILLS.

### FIRST READING.

#### THE REGISTRATION OF DOMESTIC SERVANTS (AMENDMENT) BILL.

On motion of the hon. the Attorney General the Registration of Domestic Servants (Amendment) Bill was read a first time.

Notice was given to move the second reading at a later stage of the session.

### SECOND READING.

#### THE ARMS TRAFFIC BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Regulate the Traffic in Arms between the Colony and Abyssinia be read a second time.

On the 21st August, 1930, a Treaty regulating the importation of arms and ammunition—meaning by those terms the articles which hon. Members will find in the four categories annexed to this Bill—was signed on behalf of the Governments of Great Britain and Northern Ireland, France, Italy and Ethiopia. An integral and essential portion of that Treaty, Sir—Article XI of the Treaty—is: "The High Contracting Parties undertake that they will immediately put in force in their respective territories adjacent to Abyssinia all the regulations necessary to comply with the conditions imposed on Abyssinia in respect of the importation and use of arms in that Treaty." The territories concerned, Sir, in addition to this Colony are Sudan, British Somaliland, French Somaliland, Italian Somaliland and Eritrea, and I repeat that it is an integral condition of that Treaty which has now been signed by the High Contracting Parties that legislation on the lines of those regulations—regulations which are annexed to the Treaty—should be enacted in these various territories. Such legislation has already been enacted in Italian, French and British Somaliland—I am unaware, Sir, of the situation in Eritrea—and we are informed, Sir, that the Sudan contemplates parallel legislation at the earliest possible moment. The Treaty has now been adhered to, signed, ratified by the High Contracting Parties and it is now incumbent on the Government of this Colony to give effect to that Treaty by enacting this legislation.

The actual form of the legislation, Sir, varies comparatively little from the legislation on the subject of arms and ammunition which already appears on our Statute Book. The chief variant, Sir, is that the four categories of arms and ammunition annexed to the Bill—categories I, II, IV and V—

are wider and more comprehensive than the existing definition of arms and ammunition under the Ordinance of 1925, the chief variation being that aircraft and the component parts of aircraft are included. Before I pass from the categories I should like to explain one point which may be raised and that is that there is no category III. The omission of that category, Sir, is not due to inadvertence; it is due to the fact that the categories were taken from and are given the numbers assigned to them in the Geneva Convention on arms and ammunition of 1925 which it is hoped will be ratified before long and which will then come into force in the territories which include Abyssinia. This is a partial application in effect of the Geneva Convention which has not yet been ratified.

The form which the Bill takes, Sir, I think may be considered under four main headings. There is the regulation of the import of arms and ammunition into the Colony; there is the regulation of the export of arms and ammunition from the Colony to Abyssinia; thirdly, there is the regulation of the export to other territories adjacent to the Colony from which territories in turn export might take place into Abyssinia; and fourthly and lastly, Sir, there is the regulation of the transit of arms through the Colony to Abyssinia.

Turning first, Sir, to the provisions as to import, they can be explained, I think, very shortly. The import of arms and ammunition is prohibited except under the authority of the Governor. That provision, Sir, hon. Members will find in clause 2. That provision is exactly the same as that which at present exists in section 4 of the Arms and Ammunition Ordinance of 1925. When arms and ammunition are imported, Sir, they must go into a public warehouse—again, an exactly similar provision exists in section 5 of the 1925 Ordinance. The main difference, the sole difference, in the provisions of this Bill, Sir, is that the keys of the public warehouse are two in number and one has to be held by a member of the armed forces of the Crown, in which term the Kenya Police Force is included. If it is desired to transfer arms from a public warehouse that may be done either to a private warehouse, which again is licensed—a provision which is in the existing law also—or to the person who wishes to hold and use such arms and ammunition. There is a saving exemption, Sir, in favour of arms for the personal use of persons resident in the Colony, that is, for the legitimate purpose of defence or sport. So far as those arms are concerned this legislation imports no change whatsoever. Arms and ammunition can be imported only through the Port of Mombasa. The existing legislation provides that import can take place only at prescribed ports, of which Mombasa is one. In future, arms and ammunition coming into the Colony must enter at Mombasa.

With the leave of the Council, Sir, I propose to move in the Committee stage an amendment to that clause—clause 5 of the Bill—to provide that that clause shall not apply to aircraft entering the Colony by air. That is an amendment of the regulations annexed to the Treaty which we have been authorized by the Secretary of State to make in the interests of civil aviation in the Colony. Its object is so manifestly to the advantage of the Colony that I imagine no hon. Member will for a moment oppose such an amendment. Therefore, Sir, arms and ammunition intended for the lawful purposes of defence and sport and aircraft entering the Colony by air will both be exempt from the provisions of this legislation. Arms imported have to be registered—that is a provision to which we are accustomed under the existing law—and can only be withdrawn from a warehouse on licence—again a provision which already exists, Sir. In clause 12 there is one slight change from the existing state of affairs. The manufacture and assembly of arms can only be done in a Government establishment. I do not think, Sir, that there is any manufacture of arms taking place to-day within the Colony and I do not think that that provision is one that is likely to cause any acute hardship to anyone in the Colony. The repair of arms may be done, as at present, in any licensed private establishment. That again is a provision which exists under the Arms and Ammunition Ordinance which is now on the Statute Book.

When we come to clause 14 we come to the question of the export to Abyssinia and in regard to that there are naturally very stringent safeguards imposed. The export has to be under licence and such licence can only be granted when there is an application made directly on behalf of His Majesty the King of Ethiopia, and the forms of such application are scheduled in the Ordinance. A further safeguard is that all arms must be marked in a prescribed manner which the Abyssinian Government have undertaken to impose by virtue of the provisions of the Treaty. That deals, Sir, with clauses 14 to 18.

Clause 19 deals with export to territories other than Abyssinia and is exactly on all fours with the existing provision which hon. Members will find in section 20 of the Ordinance of 1925. There is in that regard no change imposed by this legislation whatsoever.

Clause 20 which deals with the transit of arms to Abyssinia imposes a safeguard which might be of very considerable benefit to the Colony in that it will now be lawful to stop such transit if circumstances in Abyssinia or on the frontier justify such a course being taken.

It may be asked, Sir, what this Government stands to gain by its adherence to such a measure as this. The territories

concerned are those which are literally adjacent to, co-terminous with the territory of Abyssinia. I do not think there will be any dispute of the proposition that a solution of the question of the supply of arms to Abyssinia and their control within that country is a matter of very great importance indeed to this Government and to the Governments of the other territories whose boundaries march with Abyssinia. It is inherent in the Treaty that the Government of Abyssinia undertakes a number of reforms in regard to the importation and control of arms. I have just mentioned, Sir, in regard to clause 20 of this Bill that powers are given, drastic and plenary powers are given to the Government of each of the adjacent territories to interfere with the transit of arms, and I would remind hon. Members that it is only through those territories that I have mentioned that arms can reach the Abyssinian Government. It is an undertaking on the part of the Abyssinian Government under the Treaty that their annual estimates for the purchase of arms and ammunition—and throughout I am using those terms in the very wide sense in which they are used in the four categories—it is an undertaking on the part of the Government of Abyssinia that they will submit annual estimates which have to be approved by the other High Contracting Parties to this Treaty. Surely, Sir, this is a definite step forward in the direction of controlling the importation of arms and ammunition into Abyssinia and it necessarily follows of controlling their indiscriminate use within Abyssinia. That, Sir, is primarily what this Government stands to gain from the acceptance of this legislation.

There is, of course, the second point, Sir, which is not of so great importance but is still one of very considerable importance, that it is an essential requisite of the Treaty which has been ratified on behalf of His Majesty that this legislation should be accepted and adopted by this Colony.

In the Committee stage, Sir, I have indicated one amendment which I would ask the indulgence of this House to move. I would ask further, Sir, that I may be permitted to move an amendment to clause 1 of the Bill, the short title clause, making it clear that the Bill has direct reference to Abyssinia. I would suggest, Sir, that the short title be the Arms (Traffic with Abyssinia) Ordinance, 1931. There is one other quite minor clerical amendment, Sir, to which I would draw attention in clause 14 of the Bill—the first word of the eighth line “applicants” should quite manifestly be “applicants”. I hope that leave will be accorded me in the Committee stage to move those three short amendments, and I shall now move the second reading of the Bill.

THE HON. T. D. H. BRUCE (SOLICITOR GENERAL): Your Excellency, I beg to second.

11th September, 1931

HIS EXCELLENCY: The question is that the Bill be read a second time.

THE RT. HON. LORD DELAMERE: Your Excellency, I am going to support this Bill because, as the hon. and learned the Attorney General has said, this is no doubt a matter that should have been dealt with a long time ago, and I am very pleased to find that it is being dealt with to-day. But I should like to make one protest with regard to the method in which this thing has been done, Sir. It was found out in this country that the only way in which an aeroplane, under the original Treaty, could enter the Colony was by folding its wings and alighting in a warehouse in Mombasa, or being taken to pieces and put there and then being taken away again. It appears to me that people who can neglect a thing of this sort in an Act to be applied to civilized countries surrounding Abyssinia, even although there may be only one—I said “may,” Sir—it does appear to me that people who can draw up a thing of that sort should send a draft, or whatever it is, to the countries involved, in order to get their opinion as to how it affects them, before getting the Treaty signed and in hand, because it is quite easily possible that a thing of this sort could not be altered at this late date. (Hear, hear.) As the question of arms for Abyssinia has been going on for so many years, it would have been quite possible to have asked this country to point out whether there were any matters which would affect this country adversely before the matter was finally dealt with. We are now told that through the gracious sanction of the Secretary of State for the Colonies we are allowed to bring aeroplanes into a civilized country, or semi-civilized country, but it appears to me there should never have been any question about it. Otherwise I should like to say that this Bill appears to me a very necessary one. There is one other point—the manufacture of arms. It is quite necessary that any such manufacture should be under the complete control of the Government of any country involved on the borders of Abyssinia, but it appears to me that provided that control is exercised in exactly the same way as it is over the importation of arms and ammunition it is unnecessary that in this Act the manufacture of arms should be completely prohibited. I am not going into that now, as it appears to me that the Bill should be passed, but that matter should be made a point of. If at some future time this country thinks it a good thing to manufacture some form of arms, there should be inherent in the Government power to allow it under the same regulations regarding the import of arms. I cannot think of anything else, but I hope in future that the High Contracting Parties, who are so very high in the air that they do not recognize some of the things people have to deal with, that they should

in future, as represented by the Secretary of State in our case, send the Bill out to be looked at, or the Ordinance or whatever it is, before signing it on behalf of this country.

**THE HON. CONWAY HARVEY:** Your Excellency, Kitoo, support the principles of this Bill but I suggest, Sir, that there is just one comparatively small item which requires further examination. The hon. and learned mover mentioned his intention of introducing a modification of clause 5 at the Committee stage, and he stated moreover that the fact that all arms must be warehoused at Mombasa does not involve any departure from the existing practice. I suggest that as aeroplanes are to be allowed to land at other points than Mombasa, that passengers who are bringing arms who are travellers in these aeroplanes might also be considered. There is no doubt whatever, that the development of aircraft was never contemplated when the existing legislation was framed, and I suggest, Sir, that a very great hardship might accrue to sportsmen and others visiting Kenya if their arms brought by aircraft and landed at Kisumu have to be warehoused at Mombasa before they can be used for the purpose for which they were imported.

**THE HON. T. J. O'SHEA:** Your Excellency, a co-operative effort among different countries to solve a common problem is one that has, of course, everybody's support, and in recent years we have in this House passed quite a lot of legislation which in itself is not so much for the direct benefit of this country as of indirect benefit through assisting neighbouring countries to solve their problems. But I should like to know, Sir, whether the Government is in a position to give the assurance that the passage of the Bill will improve the situation existing on the Abyssinia-Kenya frontier? It is true it will tighten up the regulations governing the importation of arms into Abyssinia, but have we any assurance that that is the least precaution for seeing that arms are being manufactured in that country and are being distributed apparently without effective control? I have never yet heard, Sir, that the arms used by the people of Abyssinia who cross over into our territories every year and murder some of our people are imported arms. On the contrary, I understand that the arms they use are arms manufactured in Abyssinia. Is it then much use passing legislation prohibiting the importation of arms, or endeavouring to check the importation of arms into Abyssinia, if arms are manufactured in that country and allowed to be distributed among the people who make use of them to murder the citizens of the adjoining territory? It is essential that the Secretary of State for the Colonies and the authorities at Geneva, who have taken such a deep interest in this matter—I should like to know whether it is possible

for our Government to make such representations to the Secretary of State that would result in Geneva doing something effective to prevent its own people murdering the natives of this country year after year. (Hear, hear.) It is very largely because of the most unsatisfactory state of affairs on our Northern Frontier that this country is compelled to vote large sums of money for military expenditure. Before the Great War, when we had a big European Power on our southern frontier and it was known some years before the outbreak of the war that there might be a conflict in this part of the world, our military expenditure was comparatively small. Yet to-day, when we are surrounded by friendly Powers, the annual military expenditure of this Colony is three times what it was then; and largely because of the unsatisfactory situation existing as between this country and Abyssinia. We should not therefore be satisfied with the passing of this measure, Sir, but go a step further and ask the authorities at Geneva to follow up the work already done and see whether they cannot insist on such a state of affairs in Abyssinia as would put a stop to the murder of the citizens of this country every year and our annual expenditure on militarism that otherwise would be unnecessary.

**THE HON. THE ATTORNEY GENERAL:** Your Excellency, with the indulgence of the House there are three points to which I should like to make a short passing reference. The hon. and Noble Lord who opened the debate after the question was put appeared to be under the impression that the manufacture of arms was completely prohibited. That is not so, Sir, as the Noble Lord will see if he refers to clause 12. It is permissible, but the manufacture can only take place in establishments instituted by the Governor for the defence of the Colony or for the maintenance of public order. What we are so anxious to achieve is the prohibition of the sporadic manufacture or assembly of arms, but there is no prohibition of the manufacture, should the Colony see fit to undertake that task in proper institutions under correct regulations.

**THE RT. HON. LORD DELAMERE:** Your Excellency, may I be allowed to withdraw what I said in that particular if what I said was incorrect? It was something that the hon. and learned Member said in opening the debate that caused me to make those remarks.

**THE HON. THE ATTORNEY GENERAL:** I am sorry if I misled the Noble Lord. The hon. Member for the Luksa has drawn a piteous picture of the gentleman who enters the Colony for the purpose of sport fully equipped for that recreation. I would draw his attention, Sir, to the provisions of clause 4—"All articles covered by Categories I, II, IV

and V imported into the Colony (except where such articles are imported by individuals for their personal use, namely, for legitimate purposes of defence or sport) must be deposited in a warehouse. Purposes of defence or sport in a Colony such as this have naturally been safeguarded.

The hon. Member for Plateau South asked for an assurance as to the attitude of the Government of Abyssinia towards the arms traffic. It is a little difficult for me, or for anyone in this House, to give any such assurance, but I can assure the hon. Member and the House that the Treaty which I have before me, contains a section, section 3 of the Annex II, an undertaking by Abyssinia in these terms—that the manufacture or assembly within Abyssinia of articles covered by Categories I, II, IV and V is prohibited otherwise than in an establishment instituted for the defence of the territory or for the maintenance of public order. That is clause 12 of our Bill, and that obligation is equally incumbent on Abyssinia as on us. In amplification I will say that the categories are so comprehensive as to include swords and lances which will no longer be able to be manufactured except in a Government institution in that territory, and include all powder and explosives except common black powder, so that the importation will be controlled, the manufacture will be controlled, and the parties to the Treaty. I would remind hon. Members, are represented at the capital of Abyssinia by representatives who will naturally do their utmost to see that the terms of the Treaty are complied with in every respect.

The protest of the Noble Lord I do not propose to say anything of, Sir. But I should think that the Noble Lord would have shared my feelings in regarding it as a matter of congratulation that this Government got the exemption for aircraft which other adjacent territories have not yet thought of obtaining.

HIS EXCELLENCY: The question is that the Bill be read a second time.

The question was put and carried.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Council resolve itself into a Committee of the whole Council to consider the Arms Traffic Bill clause by clause.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Council went into Committee.

*In Committee:*

THE ARMS TRAFFIC BILL.

The Bill was considered clause by clause.

Clause 1—Short title.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that this clause be deleted and that there be substituted therefor the following:

"1. This Ordinance may be cited as 'the Arms (Traffic with Abyssinia) Ordinance, 1931'."

The question was put and carried.

Clause 5—Authorized port of import.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that at the end of this clause there be inserted the following paragraph:

"The provisions of this section shall not apply to aircraft entering the Colony by air."

The question was put and carried.

Clause 14—Export of arms, ammunition, etc., to Abyssinia.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that in this clause the word "applications" at the beginning of the eighth line of the clause be deleted and the word "applicants" substituted therefor.

The question was put and carried.

Schedules II and III.

THE HON. THE ATTORNEY GENERAL: Your Excellency, in regard to Schedules II and III, I would ask the indulgence of the House to be permitted to accent them correctly before they are finally submitted for authentication. The accents appear to have been put on with a pepper castor.

HIS EXCELLENCY: That need hardly be called an amendment I suppose.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that the Arms (Traffic with Abyssinia) Bill be reported to Council with amendment.

The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that the Arms (Traffic with Abyssinia) Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council with amendment.

THIRD READING.

THE ARMS (TRAFFIC WITH ABYSSINIA) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Regulate the Traffic in Arms between the Colony and Abyssinia be read a third time and passed.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned sine die.*



COLONY AND PROTECTORATE OF KENYA—  

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LEGISLATIVE COUNCIL DEBATES  
1931  

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THIRD SESSION  

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WEDNESDAY, 25th NOVEMBER, 1931

The Council assembled at 11 a.m. at the Memorial Hall, Nairobi, on Wednesday, the 25th November, 1931, His Excellency the Governor (BIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

The Proclamation summoning the Council was read.

ADMINISTRATION OF THE OATH.

The Oath of Allegiance was administered to:—

TEMPORARY NOMINATED OFFICIAL MEMBER:

CYRIL OWEN GLIBERT, Surveyor General.

ACTING EUROPEAN ELECTED MEMBER:

WILLIAM KINGTON TUCKER, Nairobi South.

MINUTES.

The minutes of the meeting of the 11th September, 1931, were confirmed.

MOTION.

DEATH OF LORD DELAMERE AND MR. H. T. MARTIN—  
ADJOURNMENT OF COUNCIL.

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.): Your Excellency, it is less than two weeks since death inflicted on the Colony almost irreparable loss in the passing on the afternoon of Friday, the 13th of November, of Lord Delamere, the doyen of this House, the



hon. Member for the Rift Valley and Chairman of the Elected Members Organization, and less than twelve hours later of Mr. Martin, the Acting Colonial Secretary.

It is meet and fitting, Sir, that in this Assembly, the deliberations of which gained so much from their rich experience and ripe judgment, in this Legislative Council in which their voices were heard for the advancement of the interests of the Colony, which both of them loved so well and served so long and faithfully, we should remember them to-day as wise and sagacious counsellors and as men whom we admired and loved.

What Lord Delamere's death means to Kenya it is impossible within the compass of a speech such as this adequately to state. A man of great gifts and outstanding personality, of rare charm and unflinching courtesy, he chose from an early age to devote his great powers to the service of this Colony. Undauntedly, through good times and through bad, he gave himself wholeheartedly to the cause of the country of his adoption. With supreme fearlessness, with supreme optimism, with supreme unselfishness he spent himself and his substance in the cause that was so dear to his heart, the cause of this Colony in which to-day we mourn his loss.

Of Hugh Martin I feel it difficult to speak with restraint. A man of great personality and of wonderful natural charm—to know him was to love him. "Those whom the gods love die young"—he was only forty-three when he was taken from us, with much of the work to which he had devoted his great talents, on the performance of which he had set his heart, still unfinished. As a scholar, as a counsellor, as a colleague and as a friend he will be sorely missed, and his death leaves both in the political activities of the Colony and in its social life a gap which it will be very hard to fill.

Let us remember them to-day, Sir, as two wise and sage advisers, as two great patriots, as two dearly loved and much regretted friends. Let it be our task to see that the example of unselfish devotion to what they thought to be the better cause which the life of each of them so clearly teaches is an inspiration to all of us and to all those who truly love this Colony. Let us see to it that the torch that they have handed to us is carefully tended and burns brightly so that we in turn may hand it over to our successors for the true and better advancement of Kenya. Abraham Lincoln said—and his, I think, are words that we might well recall to-day—"We must show an increased devotion to that cause for which they gave their last full measure of devotion."

To Lady Delamere, to Lord Delamere's son, to Mr. Martin's mother and to his little daughter our deep sympathy goes out. It will, I know, be a consolation to each of them to know that this Colony will hold the memories of those who have gone in reverence and affection and ever honour their names.

I beg, Sir, to move that this Council do now adjourn.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I have the honour to second the motion. It is no easy task, Sir, for anyone to attempt to pay adequate tribute as we all wish to do to-day to two men of such outstanding ability and personality as the two to whom we are showing our respect to-day.

Though of widely differing characteristics, Lord Delamere and Mr. Humphrey Martin had certain attributes very much in common. They were great personal friends; both had brains of outstanding calibre; both shared a devoted loyalty to this country; both were endowed with a great loveliness which endeared them to all who had the privilege of their friendship; and both gave up their lives within a few hours of each other whilst still devoting themselves to the good of this country.

Humphrey Martin—or Hugh Martin, as he was known to his friends—was at heart a scholar and a lover of literature. He was also an enthusiast in the pursuit of his hobbies, whether it were fishing or gardening or some other activity, and it was a joy to see his pride in and his love for his new house and garden. As a companion he was unrivalled, for his wide range of reading enabled him to converse on almost any subject, whilst his clear intellect invariably brought to bear a fresh point of view upon any discussion. The monotonous routine of office life was not what appealed to him; he revelled in any difficult problem for the good of this country where widely divergent views had to be brought into line—it was in such affairs that he excelled, and in many a rough path has been made smooth by his tact, his cleverness and his understanding of humanity. Like others who live for several years in this country, he was devoted to Kenya and was a true believer in her future; in especial he believed in the necessity for the civilizing power of white settlement, and the community on whose behalf I speak will always owe him a very deep debt of gratitude. By his death the whole country has lost a great public servant and his friends a most lovable personality.

Lord Delamere first came to this country many years ago—in 1893—for the purpose of travel and big game shooting. He was soon impressed with the possibilities out

here and from that time to this nothing has been done for the development of the country with which he was not intimately connected. This country was his child and he loved it passionately. He gave himself willingly for her all through his life and without doubt he finally died for her, as his last illness was brought on by overwork and worry, a result which he had been warned previously might happen if he continued in public harness. It is hard, Sir, to picture this Council without his great personality. No one would describe him as a great orator as, apart from other causes, his big nature scorned the lesser aids of clever sophistries or the effects of dramatic rhetoric. His methods were the direct ones of producing facts and figures, in which he was always accurate, and basing his arguments on broad principles from which he never wavered. For this reason, Sir, his speeches were always so well worth reading—the opposite of the rhetorical orator. On the other hand, he was admirable in debate and we shall all miss those quick asides uttered with his well-known twinkle and usually withdrawn almost as soon as uttered, but not before they had hit a bull's-eye during that brief moment. What, Sir, was the reason of his great personality, for I have never in my life met a bigger one? I believe it was because all his actions were based on deep conviction. No one ever knew Lord Delamere shilly-shally or wobble. With his great gift of penetrating perspicacity he had a most remarkable faculty of putting his finger on the spot that really mattered, and no one could divert him from it down any by-path. I never knew his judgment at fault on any major issue. His belief in this country was unbounded but he was convinced that its future prosperity must be built up on the foundation of white settlement. Apart from his work for Kenya herself, Lord Delamere always kept in view the wider prospect of a British East African Dominion and he felt strongly the importance of the unofficial communities in the different territories having a better understanding of one another. It was entirely due to his initiative and at considerable personal expense that the unofficial conferences at Tukuyu, Livingstone and Nairobi took place, and we know to-day from the cables which have come from those territories in what great respect and affection he was held there as well as in this country. As he was always the great protagonist of his race, I believe the world at large had little conception how great was his interest in and his affection for the native peoples of this country. One had only to see the number of natives—and especially Masai—who used invariably to come to his house for advice, to realize how highly he was esteemed by the native peoples who knew him. His views on the development of the natives were that it should follow practical lines in keeping with the realities of the situation and he was scornful of anything which

savoured of eye-wash to placate idealistic theories rather than to benefit practically the native peoples themselves. He was also a good friend to the Arab community whom he often described as the only other people besides ourselves who had ever been a ruling race in East Africa.

It would take too long, Sir, to recapitulate even a small portion of Lord Delamere's public activities which have been fully described elsewhere so I will not attempt to do so beyond saying that all the big things which have been achieved in this country almost without exception owe their origin to his initiative. He was a born leader of men; this I believe was due to the fact that all who had the privilege of working with him came under the spell of his wonderful charm as well as of his great abilities. He had the power of inspiring devotion and affection in a degree given to few men. Generous to a fault, he was incapable of anything mean or petty. Even those who did not agree politically with him could never fail to be impressed by that wonderful old-world courtesy which was such a marked characteristic. I venture to say, Sir, that we are paying respect to-day to the greatest man we have ever seen in Kenya and whose equal we are unlikely ever to see again. He was in truth a very great gentleman, a real statesman and the most loyal of friends. He has left us a great inspiration—let us prove worthy of it and endeavour each in our small way to do something to bring a little nearer that goal for which he devoted his life. That that we can build him no truer memorial.

I should like, Sir, to join the hon. member in extending our deep sympathy to the relatives of those two fine men, and in especial to that Noble Lady who has already so closely identified herself with the interests of this country.

**HIS EXCELLENCY:** Honourable Members of Legislative Council, I have already expressed my deep personal feelings in the two extraordinary Gazettes which I issued on the 13th and 14th of this month, and after listening to the eloquent tributes paid to our distinguished colleagues whose loss we so deeply mourn I have a feeling that you will prefer me to put the question to the House forthwith without any intervention on my part. I will therefore but say again what I said in the Gazette that Lord Delamere was indeed a courteous gentleman, a loyal and generous friend, whose life will be an inspiration to all who live in the Colony and whose memory will long be held in reverence and affection. By Mr. Hugh Martin's death we have lost an able and trusted public servant, a man of great personal charm and a scholar who, had he been spared, had every prospect of achieving still greater distinction.

I will ask hon. Members to stand while the question is put.

The question is that this Council do now adjourn.

The question was put and carried.

The Council rose and stood in silence.

The Council adjourned till 10 a.m. on Thursday, the 26th November, 1931.

THURSDAY, 26th NOVEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Thursday, the 26th November, 1931, His Excellency The Governor (Brigadier-General Sir Joseph Aloysius Byrne, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### ADMINISTRATION OF THE OATH.

The Oath of Allegiance was administered to:

*Nominated Official Member:*

EDWARD BUTLER HORNE.

*Acting Nominated Member Representing the Interests of the African Community:*

HARRY LEAHY.

#### PRESENTATION OF INSIGNIA.

On behalf of His Majesty the King His Excellency presented Insignia of Officer of the Most Excellent Order of the British Empire to:

T. M. JEEVANJEE, Esq, O.B.E.

#### MINUTES.

The minutes of the meeting of the 25th November, 1931, were confirmed.

#### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.):

Medical Department Annual Report, 1930.

First Supplementary Estimates, 1931.

Report of the Terms of Service Committee.

THE HON. THE ACTING COLONIAL SECRETARY: I would ask your leave, Sir, and the leave of hon. Members to say a few words with reference to the Report of the Terms of Service Committee. As soon as that Report was presented, Sir, Your Excellency gave instructions that its recommendations were to be examined in detail as early as possible. As hon. Members are aware, the Report, as is stated in its own opening paragraphs, is confined very largely

to matters of principle and arising from the recommendations on matters of principle there necessarily falls to be considered a considerable mass of detail. Copies of the Report were sent at once to the Secretary of State and the Governments of the adjacent territories; Heads of Departments were circularized with copies of the Report and asked for their comments and a considerable amount of detailed work has already been done, such for instance as the division of the various residential stations of the Colony into healthy stations and less healthy stations.

The comments of Heads of Departments, as I have already said, have been invited. To a very large extent those have been received and they are now in process of collation.

The Report, Sir, as hon. Members realize, can be considered under two quite separate headings. A number of the recommendations affect the overseas service, and in so far as they affect the overseas service, they necessarily affect also the Colonial Service as a whole. So far as that part of the Report is concerned, Sir, as soon as the collation of Heads of Departments' comments has been completed, the matter will be laid before the Executive Council in order that a comprehensive despatch may be sent to the Secretary of State.

The second part of the Report, Sir, deals with the local services and on that, Sir, I am authorized to state that, subject to the concurrence of Executive Council, it is Your Excellency's intention to adopt the suggestions made in paragraph 27 of the Report and to set up a committee to report upon and schedule posts and to draft regulations for the inauguration of local European and Asiatic civil services applicable to civil servants other than Railway servants.

By THE HON. THE TREASURER (MR. H. H. RUSHTON):  
Report on the Audit of Accounts for 1930.

By THE HON. THE ACTING CHIEF NATIVE COMMISSIONER (MR. A. DE V. WADE):

Report on Reconditioning of the Kamasi Reserve, 1931.

By THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENTS (MR. W. M. LOGAN):

Report of Select Committee on the Town Planning and Development Bill.

Report on a Geological Reconnaissance of South Kavirondo.

Return of Land Grants under the Crown Lands Ordinance:

1st April to 30th June, 1931.

1st July to 30th September, 1931.

By THE HON. THE DIRECTOR OF AGRICULTURE (MR. A. HOLM):

Agricultural Department Annual Report, 1930.

By THE HON. THE DIRECTOR OF PUBLIC WORKS (MR. H. L. SIKES):

"The Kiln Drying of East African Timbers" by W. D. Arnot, B.Sc. (Eng.).

#### NOTICE OF MOTION.

THE HON. T. J. O'SHEA: Your Excellency, I beg to give notice of the following motion:

"That the Report of the Terms of Service Committee be adopted."

#### MOTIONS.

##### NORTH KAVIRONDO BRANCH RAILWAY.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that:—

"Whereas a sum of £50,000 was provided in the schedule to Specific Loan Ordinance No. 43 of 1930 for the extension of the North Kavirondo Branch Railway to Butere, be it resolved that this Council approves the annual payment by the Colony to the High Commissioner for Transport of an amount equal to the losses on the working of the Railway extension, provided that no such annual payment shall exceed the amount of the Loan interest and redemption charges on the capital expenditure involved."

This motion, Sir, in form follows the usual motion for branch line guarantees which is necessitated by the provisions of Article 23 of the Kenya and Uganda (Transport) Orders in Council of 1925 and 1927.

The project for the beginning of this line, Sir, that portion of it which goes from Kisumu to Yala, was discussed at length in this Council on the 28th November, 1927, and the resolution which was then adopted, Sir, in respect of that first portion of the line followed the same form as the resolution now before this Council. On that occasion, Sir, the hon. Member for the Lake (who was then acting as Leader of the

Elected Members) expressed the hope that the line would be extended to Butere, in the heart of the Kavirondo producing area. The Branch Lines Committee in August, 1930, recommended that extension, which was approved by the Secretary of State. A sum of £50,000, the estimated cost of the extension, was included in the Branch Lines provision in the Schedule to the 1930 Loan and the work is so far advanced that it is hoped to take over the extension as open lines in the course of 1932. There now remains, Sir, merely, in accordance with the practice imposed by the Order in Council, for this Council to undertake to resolve to guarantee the loss on the working, subject always to that loss not being greater than the loan and redemption charges on the expenditure on the line. So far as that is concerned, Sir, I need say no more than that the sum of £2,400 has been provided in the Estimates for 1932 under the item Branch Lines Guarantees for the maximum payment which the Colony can be called upon to make under this resolution.

If hon. Members require any technical information as to the progress and the likelihood of success of the line, I know that my hon. friend, the General Manager of the Railways, is prepared to give it, and I shall therefore content myself with formally moving the motion.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is:

"Whereas a sum of £50,000 was provided in the schedule to Specific Loan Ordinance No. 43 of 1930 for the extension of the North Kavirondo Branch Railway to Butere, be it resolved that this Council approves the annual payment by the Colony to the High Commissioner for Transport of an amount equal to the losses on the working of the Railway extension, provided that no such annual payment shall exceed the amount of the Loan interest and redemption charges on the capital expenditure involved."

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, we have before approved the general principle of this proposition and so naturally we must support it to-day. I should like to ask the hon. the General Manager, when he is making his comments on the likelihood of the financial success of this branch line, and so forth, whether he could give us the latest information in regard to the position of the other two branch lines which were approved—the one out toward Kericho and the other one out toward Donyo Sabuk.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG.-GEN. G. D. RHODES): Your Excellency, as stated by my hon. friend the Acting Colonial Secretary, this line is nearing completion and I hope that we shall take it over in the open line system early in the coming year. I am not in a position to say how successful this branch line is going to be; I can only repeat what all the committees of inquiry after examination of the possibilities of this route stated when the line was under consideration. The prospects are reasonably good and when the Railway Council considered the building of this line they agreed to accept the liability themselves for the working costs, so that the Colony has only been asked to guarantee the loan charges.

With regard to the position of the other two branch lines mentioned by the hon. Member opposite, I would inform this House that an estimate was prepared for the Donyo Sabuk line but under the present financial conditions and the present financial prospects, particularly of the sisal industry, it was felt that to undertake this line at the present time would be premature and therefore it was recommended that this branch line should be postponed until some future occasion when the prospects seemed more promising.

With regard to the Kericho Branch, it will be remembered that the Secretary of State earmarked a sum of money for this branch on condition that a detailed survey and supplementary economic report should be submitted. That detailed survey has just been completed and the officers are now preparing their detailed estimate in connexion with the costs of this branch. The economic report has been revised by representatives of the Railway and the Agricultural Department in consultation with local economic committees and it is hoped that the full report on the prospects of this branch will be available within the next two or three months.

THE HON. CONWAY HARVEY: Your Excellency, as the financial success of this branch line is very largely dependent on more intensive native production in the area concerned, we should like to know what Government contemplates in order to stimulate such native production, and I should like to remind you, Sir, that this course of action was recommended to Government so long ago as 1923 by the Economic and Finance Committee which then sat, and that since then Elected Members have constantly emphasized the very great importance of stimulating native production in these areas.

CAPT. THE HON. H. F. WARD: I was on the point of raising exactly the same point, because the proposal to build this branch line does raise the whole question of the development of the native reserves in a very acute form. I

think, Sir, it must be a matter for very grave reflection on the part of Government that they can contemplate even a small loss on a branch line taken out into the richest and most heavily populated section of any native reserve in this Colony. I think my hon. friend who has just spoken will on reconsideration feel that it is better to raise this important subject as a distinct issue and I was proposing later in the session to table a resolution based on a recent Native Affairs Department circular (No. 34); and I think it would be very much more convenient possibly if Members on the other side of the House as well as on this side would think that very important subject out.

HIS EXCELLENCY: I will call upon the hon. mover to reply.

THE HON. THE ACTING COLONIAL SECRETARY: I have some difficulty in gauging whether the suggestion just put out by the hon. Member for Nairobi North meets with the approval of the hon. Member for the Lake. If that is so, there is no need for me to say anything further on that point. I do think it would be very much better that the subject should be discussed in all its bearings, not with reference to one small section of ten miles of branch line, but fully discussed when hon. Members on both sides of this house have had an opportunity of refreshing their memories with reference to relevant papers; and I propose therefore to assume, in the absence of any protest against the suggestion of the hon. Member for Nairobi North, that that course commends itself to both sides of the House.

THE HON. CONWAY HARVEY: Your Excellency, I associate myself with the admirable views so ably expressed by my learned friend.

The question was put and carried.

#### COMPASSIONATE PENSIONS AND GRATUITY.

THE HON. THE TREASURER: Your Excellency, I beg to move the motion standing in my name in the Order of the Day:—

"(1) In consideration of Mr. Kutub Din's twenty-seven years three months and fourteen days' satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 648 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz., the 30th April, 1931, instead of a gratuity of Sh. 600 (vide Section 37 (2) of Chapter 36 of the Laws of Kenya) to which he is strictly entitled under the Regulations.

(2) In consideration of Mr. Kala Khan's thirty-one years ten months and five days' satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,441/60 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz., the 13th March, 1931, instead of a gratuity of Sh. 2,217/69 (calculated at the rate of one week's salary for each year of service) to which he is strictly entitled under the Regulations.

(3) In consideration of Mr. Daria Singh's twenty-two years one month and twenty-six days' satisfactory service in the Prisons Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,122 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz., the 1st January, 1931, instead of a gratuity of Sh. 635/71 (vide Section 38 (1) and (3) of Chapter 37 of the Laws of Kenya) to which he is strictly entitled under the Regulations.

(4) In consideration of the straitened circumstances of the widow of the late Mr. W. Smith, who, after rendering twenty-seven years nine months and twenty-five days' satisfactory service under this Government, retired on the 8th October, 1926, on a pension of Sh. 3,466/80 a year, and died in India on the 21st September, 1930, this Council is pleased to award her a compassionate gratuity of Sh. 3,384, which amount is equivalent to six months' salary of the late Mr. W. Smith at the rate drawn by him immediately prior to his retirement."

Particulars of each of the three cases of Kutub Din, Kala Khan and Daria Singh are contained in the motion. The submission is that the merits of the cases cannot be adequately met by the small gratuity which is payable to them under the Police and Prisons Ordinances and that compassionate pensions should be granted instead at the rates set out in the terms of the motion. In each of the three cases the officers maintained throughout a very long period of years an especially high level of reliability and devotion and loyalty. There have been similar cases in the past and this Council has accepted the principle. I think, that special services justify special rewards. These three cases are well up to the standard of the past and it is therefore proposed that they should be treated on identical lines, that is to say, they should be granted

compassionate pensions based on three-quarters of the pension which they would have earned had they been serving under the pension scheme of the Colony. I hope, Sir, that the motion will receive the support of all the Members of Council.

In addition to the merits of the case, there is the effect on the junior men of similar grades. Officers of the type and character of these men are very necessary and essential to the service, but they cannot be recruited to order, and the hope is that this treatment might inspire emulation amongst the junior grades.

There is only one other plea I think it is necessary to put forward, Sir, and that is that both in business and commercial circles there is sanction for the principle involved. There is also the moral demand that long and faithful service should not end in privation. I understand that owing principally to age none of these three men has any hope of obtaining other work or of being able to carry it out if he could get it.

Referring now, Sir, to the fourth item, which is a different type of case, I think the circumstances are set out fully in the motion. Mrs. Smith is left, after her husband enjoyed a pension for four years only, with three frail children, and friends have supported her statement that she is destitute. Inquiries also go to show that Mr. Smith was never throughout his period of service able to save money or in any way to provide for his family because of their continued bad health, continued doctors' bills and medicines. The case appears to Government to be one demanding consideration and it is submitted in that hope.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: I do not know whether hon. Members would like to take the motion as a whole or separately.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I think, Sir, it would be more convenient to take the first three together, and the fourth separately.

HIS EXCELLENCY: The question is:—

(1) In consideration of Mr. Kutub Din's twenty-seven years three months and fourteen days' satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 648 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his

retirement, viz., the 30th April, 1931, instead of a gratuity of Sh. 600 (*vide* Section 37 (2) of Chapter 36 of the Laws of Kenya) to which he is strictly entitled under the Regulations.

(2) In consideration of Mr. Kala Khan's thirty-one years ten months and five days' satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,441/50 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz., the 13th March, 1931, instead of a gratuity of Sh. 2,217/60 (calculated at the rate of one week's salary for each year of service) to which he is strictly entitled under the Regulations.

(3) In consideration of Mr. Daria Singh's twenty-two years one month and twenty-six days' satisfactory service in the Prisons Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,123 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz., the 1st January, 1931, instead of a gratuity of Sh. 685/71 (*vide* Section 38 (1) and (3) of Chapter 37 of the Laws of Kenya) to which he is strictly entitled under the Regulations."

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I am sorry that Members on this side of the House have no alternative but to oppose this resolution. I say I am sorry, Sir, because it is always a somewhat thankless task to oppose some remuneration to gentlemen who have served the country well for a large period of years, but, Sir, I am afraid I do not quite agree with the hon. mover that this principle has been approved by this House because we have protested on many occasions during the course of the last few years against similar propositions. The point, Sir, is really this: for many years we have been trying to get Government to get all the questions of pensions and contractual obligations and all the other matters connected with terms of service on a proper footing. We have strongly opposed any addition to the very over-charged pension bill which the country has to carry and we cannot see how Government can really justify raising the amount due to some of these gentlemen—for instance, No. 3, who is due for a gratuity of Sh. 685/71 is to be increased to what seems out of all proportion, a pension of

Sh. 1,122 a year, which means presumably that it will go on for many years as this gentleman only had twenty-two years' service and therefore will presumably live for some time yet. On principle we are unable to support this resolution. We do feel that the time has come when such cases should not be brought up here and be put merely on the plea, shall we call it, of sentiment, which is really all it comes to. Presumably these gentlemen served on a definite scale of remuneration out of which, knowing they would have no pension, they would probably have put by a good deal of money during those long years of service. From my knowledge of the Indian race they are provident people who do save and do send over to India to provide for their old age.

Do you wish me to discuss the fourth question now, Sir?

HIS EXCELLENCY: Just as you like.

LT.-COL. THE HON. LORD FRANCOIS SCOTT: Or leave these three together?

HIS EXCELLENCY: Perhaps we had better deal with these three together, the fourth is perhaps in a different category.

LT.-COL. THE HON. LORD FRANCOIS SCOTT: The hon. mover also stated that these were brought up in accordance with the traditions of the past, but we have urged Government on many occasions when similar resolutions have come forward that there should be an end of this method and that the whole question of these pensions or gratuities should be put on a proper scale. Had Government come forward and said that these men had done wonderful service and that their gratuities only amounted to comparatively small sums and then proposed to increase them, I do not think hon. Members on this side of the House would have been ready to oppose such an increase to people who may not in any way be deemed to be entitled to it.

THE HON. T. J. O'SHEA: Your Excellency, the harrowing of our feelings by these appeals for compassionate allowances, and now for compassionate pensions, is increasing in frequency to such an extent that Members on this side of the House have got beyond the stage of being irritated. They have arrived at the stage of having made up their minds that they must be put a stop to. We have been told over a period of years that these cases would be of less frequency in future, that in fact the number of people on whose behalf such claims could possibly be made was rapidly decreasing, and not so very long ago we were assured that the House ought to hear very little more of it. Now, instead of that, we find, to the best of my recollection for the first time, a claim being made that this House has accepted a principle in connexion with

these claims, but the only principle I can see sticking out in these three paragraphs is that those servants of Government who are not definitely on the pensionable staff are in future to receive compassionate pensions of three-quarters of the rate they would be entitled to were they on the pensionable staff. If that is not the principle referred to I should like to know what it is.

Your Excellency, Unofficial Members have appealed to Government time after time for a period of years that the terms of service should be revised in such a way that every servant of Government would feel that he is being fairly and squarely dealt with so that there would be no necessity for any servant of Government to have an appeal made on his behalf when he had served the country well and faithfully for a period of years.

We have been treated this morning to the usual "sob stuff" in connexion with these claims. I quite appreciate that the hon. mover has to say something to justify a continuance of such claims but I suggest to him that we have heard it once too often and it is about time Government did make up its mind that it is not fair to the people of the Colony that these claims should be coming forward. These men have been paid a rate of salary which was considered to be ample for their services, taking into consideration the other emoluments that they were receiving, and it was clearly understood by them during the long period of their service that they were not entitled to a pension. It seems to me grossly unfair to the taxpayers of the Colony, native, coloured and white, that, if they have been so well paid, we should now be asked to take them on to our pensionable establishment, already over-burdened, because they had not thought fit to provide for their old age out of the salaries they were receiving, which salaries are very considerably in excess of those they would have received in payment for their services outside Government.

I shall have much pleasure in voting against this resolution.

COLONEL THE HON. W. K. TUCKER: Your Excellency, in considering the attitude announced by our Leader, I should be sorry if this House or the public in general thought that when we entered this Council we were less humane or compassionate than in our usual life. On the other hand, I have always felt that we should reflect in this House as far as possible the principles which govern our commercial or other life as pursued in this Colony. There is no doubt whatever that with the average employer of labour in this country, who has, as is invariably the case, a staff entirely composed of people who have no pensionable hopes or conditions of service, it is the



invariable practice—or at any rate a very prudent one—that he should continually draw the attention of his employees to the fact that provision must be made month by month and year by year for the day when they can no longer work. It is only, Sir, because we practice that—and because we assume that Government practice it—that we felt justified in taking up this attitude, particularly at the present time.

I do just want to ask a question, Sir, of the hon. mover, which he will perhaps reply to, because, assuming these motions have to go through by a Government majority, we should at least like to be enlightened as to the basis on which these compassionate grants are drawn up. In other words, the man of the three with the least service is recommended for nearly double the amount of pension in relation to the gratuity to which he is entitled. In other words, No. 1 is entitled to a gratuity of Sh. 600 but he is only recommended after twenty-seven years' service to a pension of Sh. 648. No. 3, with five years' less service and a gratuity due of Sh. 685, is recommended for a perpetual pension of Sh. 1,122. So far as Elected Members can understand the position their work is of a somewhat similar nature. I am sure Elected Members would be grateful if that pertinent question is answered.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, with regard to those three items of this motion which have recently been under discussion, I have your authority to say that, in view of the tenor of the last three speeches which have been made, Government is prepared, with the leave of the House, to withdraw these three items for further consideration.

Sir, there is one word more which perhaps I might add in answer to what has just been said by the hon. Member for Nairobi South. The basis on which the proposed pension is arrived at is three-quarters of the basis laid down in the pension law of the Colony. If the last few months of the service of any of these officers had been pensionable then by law they would have been entitled to count the non-pensionable service preceding the pensionable service towards pension and the proposed pension is three-fourths of the actual statutory pension which would have been granted in such a case. I might add that the Council last year, in the new Police Ordinance, endorsed the principle of pensions for such officers as those whose cases are due under items 1 and 2. Had those pension regulations been in force at the time these officers were retired then they would have been entitled to the pension which it is now suggested they should get. I will not pursue that at the moment, but I would ask the leave of the House formally to withdraw these three items for further consideration.

**HIS EXCELLENCY:** The first three items are by leave withdrawn. Now we are considering item 4.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, I should like to thank Government for the action they have taken. With regard to item 4, this is under quite a different category. This is a proposal to give a compassionate gratuity and not a pension. It is understood that the late Mr. Smith rendered good service and that his widow is now living in very straitened circumstances, which I presume have been thoroughly investigated by Government and justified, and I support the resolution.

**THE HON. T. J. O'SHEA:** Your Excellency, I regret I am unable to associate myself with the support given to this motion because, so far as I am concerned, the principle involved is just the same. A man gets a good salary while he is in Government service and he draws his pension for a number of years and, it seems to me, it should not be left to the Colony then subsequently to provide for the future. I regret to say I cannot associate myself with the support given to the motion.

**HIS EXCELLENCY:** If no other hon. Member wishes to speak, I will call upon the mover to reply.

**THE HON. THE TREASURER:** Your Excellency, there is, I think, very little to reply to on part 4 of the motion. Apparently we can assume some support from the other side of the House. With regard to the remarks of the hon. Member for Nairobi South, the reason for that is that in two cases the gratuities were...

**THE HON. T. J. O'SHEA:** On a point of order, Your Excellency, I understood that that portion of the motion had been withdrawn.

**THE HON. THE TREASURER:** That is so. I was merely answering a question put by the hon. Member for Nairobi South.

**HIS EXCELLENCY:** The question is as you have heard. The Government have withdrawn for further consideration items 1, 2 and 3, and the question is that the motion shown in paragraph 4 be approved.

The question was put and carried.

## BILLS

### FIRST READINGS.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the first reading of:—

The Customs Management (Amendment) Bill.

The Explosives (Amendment) Bill.

The Game Birds Protection (Amendment) Bill.  
 The King's African Rifles Reserve of Officers (Amendment) Bill.  
 The Liquor (Amendment) Bill.  
 The Native Liquor (Amendment) Bill.  
 The Corporations (Probate and Administration) (Amendment) Bill.  
 The Penal Code (Amendment) Bill.  
 The Hall Pension Bill.  
 The Roads in Native Reserves (Repeal) Bill.  
 The Native Authority (Amendment) Bill.  
 The Native Christian Marriage and Divorce Bill.  
 The Kenya Royal Naval Volunteer Reserve Bill.  
 The Traffic (Amendment) Bill.  
 The Entertainments Tax Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

THE HON. T. J. O'SHEA: On a point of order, may I ask whether the Bill dealing with Roads in Native Reserves is in order and whether it complies with Rule 64 of the House regarding the circulation of Bills, which provides for reasons as well as objects being given?

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, the first reading is a formality and no debate is allowed. The question is one which can properly be taken on the second reading.

THE HON. T. J. O'SHEA: Your Excellency, I accept your ruling.

The Bills were read a first time.

Notice was given to move the second reading of each of the Bills at a later stage of the session.

## SECOND READINGS.

### THE REGISTRATION OF DOMESTIC SERVANTS (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Amend the Registration of Domestic Servants Ordinance, 1928.

This, Sir, is a Bill to Amend the Registration of Domestic Servants Ordinance, 1928. The practical experience, Sir, gained from the operation of this Ordinance in Nairobi has shown it to contain two main defects. The Crown is not

bound by the provisions of the Ordinance, and this being so servants in the employment of the Government or of the Railway Administration need not be registered. The consequences are, Sir, that good servants are unwilling to enter the service of Government where such service does not carry with it entries in the servant's pocket register, and bad servants who obtain Government employment are safe from the scrutiny which compliance with the provisions necessarily involves. That, Sir, is the first defect.

The second defect is that as the law now stands an existing servant can obtain registration however bad his previous character may have been.

These two defects are remedied, Sir, in two ways: the first by the new definition of "employer" in clause 2 of the Bill, and the second by the provisions of clauses 3 and 4 of the Bill. The present definition of "employer" includes every person having servants in his employment. The new definition provides, Sir, in addition that where a servant is in Government service or in the service of the High Commissioner for Transport, or is employed by any officer on behalf of the Government or of the High Commissioner for Transport, the officer under whom such servant is working shall be deemed to be his employer. That amended definition of the term "employer" cures this first defect in the Ordinance.

Now to move on to clauses 3 and 4. Clause 3 provides that the obligation which, under section 7 of the Principal Ordinance, rests upon the Registrar of Domestic Servants of licensing to every servant attending to be registered under the Ordinance a pocket register shall be subject to the provisions of section 9 of the Principal Ordinance which provides that before registering any applicant the Registrar shall satisfy himself that there are reasonable grounds for believing that such applicant is a fit and proper person to be employed and to enter domestic service. Clause 4 of the Bill, Sir, amends section 9 of the Principal Ordinance by providing that it shall be the duty of every Registrar to receive applications from existing servants employed in his registration district as well as from persons who are desirous of entering employment as servants within his district. Thus, the result of clauses 3 and 4 of the Bill, Sir, will be to cure the second defect to which I have already referred, namely, that as the law now stands an existing servant may obtain employment however bad or faulty his previous character may have been.

Certain other defects, Sir, have come to light during the working of the Principal Ordinance which this Bill remedies. I would refer to clause 5 of the Bill which recasts section 10

of the Principal Ordinance in a simpler manner omitting the first part of that section which forbids a registrar to grant registration to any convicted thief or associate of thieves, or any person known to the police to be leading a disorderly or disreputable life, or who shall have been convicted of any infamous crime. This provision is thought to be redundant, Sir, as the Registrar is already laid under an obligation by section 9 of the Principal Ordinance to satisfy himself that the applicant is a fit and proper person to enter domestic service, and in practice, Sir, the provision of the Ordinance as it now stands has proved to be unnecessarily expensive and cumbersome in that it entails a very detailed examination of police records. It is thought that it is quite safe and reasonable to leave the examination of the character of the applicant to the Registrar, who is connected with this work very closely. The new section 10, which omits the first part of the present section, as I say, Sir, provides as does the remainder of the present section, that if any householder is willing to take or give a trial to an applicant for employment who is not in the opinion of the Registrar a fit and proper person to enter domestic service, the Registrar may grant registration to the servant for the purpose of entering the service of that employer who is prepared to give him a chance. That is in the Ordinance already.

Clause 6 of the Bill is merely a recast of section 12 of the Principal Ordinance with a view to obtaining greater clarity.

Clause 7, Sir, amends section 13 of the Principal Ordinance to provide that an employer when forwarding a servant's pocket register to the Registrar after making the prescribed entry shall also forward the prescribed fee, which is a not unimportant part of the transaction, Sir, although it is only the sum of one shilling.

Clause 8 enables a servant to whom registration has been refused or whose registration has been cancelled on account of bad character to rehabilitate himself by three years' good conduct. It has been thought, Sir, on consideration, that it is unfair to put a servant completely beyond the pale of domestic service or the chance of entering service because he has made perhaps one slip, and therefore it is provided here that if for three years after registration has been refused or after registration which has been granted has been cancelled he behaves himself and is of good conduct he shall be able to be again registered or the cancellation shall have no effect.

Clause 9, Sir, amends section 16 of the Principal Ordinance to provide that every employer shall, when called upon to do so, produce the pocket registers of his servants either

to the Registrar or to a police officer and that every employed registered servant shall, when called upon to do so, produce his pocket register either to the Registrar or to a police officer. As the section stands now he is only obliged to produce it to a police officer, but it has been thought and it has been found from the working of the Ordinance that for administrative convenience he should be obliged also to produce it to the Registrar. I think that that amendment, Sir, is quite reasonable and unexceptionable.

Clause 10, Sir, amends section 17 of the Principal Ordinance which deals with the replacement of pocket registers by providing that if a servant has undergone punishment after conviction for having willfully destroyed or injured his pocket register the Registrar may, at his discretion, issue a duplicate pocket register to such servant free of charge, and that if the loss or destruction or injury to a pocket register was caused by an employer or any other person they shall be liable to pay the prescribed fee for a duplicate. I may say, Sir, the fee is only the small sum of two shillings.

Clause 11, Sir, adds a sub-section to section 18 of the Principal Ordinance. That section 18 provides for the fining of any employer who gives a servant an adverse character without reasonable cause or who enters in the pocket register of a registered servant any grave accusation against such servant which he cannot substantiate. I say that clause 11 adds a sub-section to that section giving a simplified method of expunging an adverse character without the necessity of a formal trial and formally charging the employer who gave such a character. The new sub-section (4), Sir, is that on the application of the servant a District Commissioner or Registrar may, after hearing the employer, expunge or alter the adverse entry if he thinks fit without any formal trial. Clause 18 as it stands provides for the charging of an employer who gives an adverse character to a domestic servant or makes a grave accusation against such servant. Where a grave accusation is made this new informal trial will not apply. It is thought that that is too serious to allow of an informal trial of this nature, but where an adverse character only is given, I think hon. Members will agree with me, it will probably save a good deal of time and will work well. The Registrar, as I say, has first of all to hear the employer.

Clause 12 adds to the number of general offences which are enumerated in section 20 of the Principal Ordinance. I can only say that these experience has shown to be necessary from the Ordinance which has been in operation for some time now in Nairobi.

Clause 13, the final clause, provides that any person who shall be in possession of more than one pocket register shall forward the extra one or ones, if there be more than one, to the Registrar.

In the hope, Sir, that this Bill will commend itself to hon. Members of Council, I move the second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Registration of Domestic Servants (Amendment) Bill be read a second time.

The question was put and carried.

#### THE DEFENCE FORCE (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Amend the Defence Force Ordinance, 1937.

Sir, hon. Members of this Council will recollect that a Defence Force amending Bill was introduced in this Council last June and was debated on the 9th June, when, in view of the opposition with which the Bill was met, progress was reported and the debate was adjourned.

Now, Sir, the chief object of that Bill was to abolish the local Defence Force Committees, appointed under section 6 of the Defence Force Ordinance, it being considered by the Central Defence Committee that, whilst the local Defence Committees were of the greatest use at the time of the inception of the Kenya Defence Force, that usefulness had now ceased and their duties were subversive of military custom and tradition. However, Sir, a considerable number of the hon. Members of this Council were opposed to the abolition of these Committees, whilst considering that the scope of their duties should be revised, and accordingly a meeting was subsequently held to consider the question of amendments to the Defence Force Ordinance in place of the amendments already put before the House. That meeting consisted of the Officer Commanding the Northern Brigade, the Commandant of the Defence Force, Colonel Durham, Colonel Tucker and Mr. Crump, and at the meeting certain amendments and additions to the Defence Force Ordinance were agreed to, and were subsequently agreed to by the Central Defence Committee. It is these amendments and additions which are before this Council to-day, mostly in the form of amendments to the original Bill, of which I have already given notice and I think they will commend themselves to this Council when I move them in the Committee Stage of the Bill.

In the Committee stage I shall move the insertion of a new Clause—repealing Section 4 (1) and substituting therefor a new sub-clause. The effect of this new sub-section, Sir, will be to make the General Manager of the Kenya and Uganda Railways and Harbours a member of the Central Defence Committee. My hon. friend, the General Manager, I am informed, has, in fact, been a member of the Central Committee ever since the Ordinance came into force and this amendment merely gives established practice legal sanction. It is desirable that the General Manager should be a member of the Central Committee, seeing that he is Commandant of the Railways and Harbours unit of the Defence Force.

In the Committee Stage of the Bill, Sir, I shall also move that new Clause 3 of the Bill be repealed and replaced by a new clause which amends Section 6 of the Defence Force Ordinance. First it is proposed that members of the local Defence Committees should hold office for three years only. Secondly, as the law now stands, the appointment of a District Commandant is vested in the Governor, after consultation with the local Defence Committee. It is proposed now, in this Bill, that such appointment should be made after consultation with the Commandant. Thirdly, a District Commandant is at present *ex-officio* a member of the local Defence Committee and it is proposed that he should in future be chairman. Those three amendments, Sir, I think, bring the provisions of the Bill with regard to the various duties to be performed by the local Defence Committees more into the realm of actual practice—that is, they give considerably more power, and rightly so I think, to the military, who of course ought to know more about these things than a civilian can.

Again, Sir, in the Committee Stage I shall move that new Clause 4 be repealed and replaced by a new Clause amending section 7 of the Principal Ordinance to provide that the duties at present imposed upon local Defence Committees, such as drawing up schemes of defence, the selection of rallying points, the establishment of defence posts, the arrangement of a system for the collection and use of available supplies and transport during active service and the collection of topographical and other information should instead be imposed upon the District Commandants; and it further provides that Commandants, the Staff Officer and District Commandants, or any of them, may from time to time convene meetings of the local Defence Committee for the purpose of consulting the Committee upon any matters concerning the Defence Force, with the proviso that the functions of the Committee are advisory only.

I think, Sir, in this instance too, that hon. Members will agree with me that this amendment is distinctly a step in the right direction, seeing that such duties as I have already referred to are essentially matters for the military and not for civilians; and the Committees I think will be only too eager to be relieved of the technical burdens which so far have been placed upon them.

Further, Sir, in Committee I shall move the deletion of new clause 5 of the Bill and the renumbering accordingly of the subsequent clauses.

Clauses 5 and 6 of the Bill, amending sections 11 and 14 of the Principal Ordinance by the deletion of the words "or Resident", are necessitated by the fact that the designation "Resident Commissioner" no longer exists.

Clauses 7 and 8 of the Bill amend sections 26 and 27 of the Principal Ordinance, bringing them into conformity with the definition in the Penal Code. By section 26 of the Penal Code all imprisonment shall be with or without hard labour in the discretion of the Court and therefore the words "of either description" which applied in the old times when the Indian Penal Code was in force no longer apply here and are redundant. They have therefore been deleted.

I hope, Sir, that the provisions of this Bill will meet with the approval of this Council. I beg to move the second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Bill entitled "A Bill to Amend the Defence Force Ordinance, 1927" be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, it will be recalled, as the hon. and learned mover pointed out, that when the original amendments were brought forward in this House there was considerable difference of opinion and, as was quite truly stated, a committee was formed which met to discuss the conflicting points of view; and we arrived at a unanimous decision as to what was the best method of dealing with them. The main point, Sir, really was this: that matters which were purely of a military nature should be confined to the officers of the Force, whilst the District Committees could be still of immense help, especially in towns, in helping on many other matters which are not of a purely military kind. That is the chief reason for the change in section 7 of the original Ordinance where it makes the District Commandant responsible for all schemes

of defence, whereas before the committees were responsible. Well, I think anybody with any knowledge of anything of a military nature knows that committees are not the best possible means of dealing with such matters and if you have a Commandant it must be his job to prepare schemes of defence and other things which are described under section 7 of the Principal Ordinance.

Though there was a strong feeling before, I believe, to abolish these Committees, many of us felt that the Committees could be of great service and that they should be kept in the structure of the Defence Force, but that their duties should be limited to matters which are not military.

I am very glad to see that the General Manager is being recognized officially as a member of the Central Defence Committee because he has been of immense help to the Defence Force since its inauguration and because I think the Railway Company is one of which the Railway may well be proud.

I welcome the fact that the Government are dealing with this matter because I trust that means that they have suddenly remembered that there is such a thing as the Defence Force Ordinance on the Statute Book; and I trust that before long they may enforce all the provisions detailed in that Ordinance.

COL. THE HON. W. K. TUCKER: Your Excellency, as the Member who led the attack on the amending Bill, I should like an opportunity to try to express my satisfaction with the *modus vivendi* which has now been arrived at. At that time we never challenged the fact that the original duties laid down for these Committees had been discharged. What we fought for was taking the life of these Committees as being in the spirit and sentiment of the inauguration of the Force three or four years ago, and in arriving at this amicable settlement I should like to pay a testimony to the consideration and courtesy which we received in these considerations from the hon. and gallant gentleman opposite, the Noble Lord, the Commandant, and the Staff Officer of the Kenya Defence Force.

HIS EXCELLENCY: If no other hon. Member wishes to address Council.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, the Noble Lord very temperately at the end of his speech twitted Government with its apparent ignorance of the presence of this measure on the Statute Book. There is a little more behind that than the Noble Lord causes to appear. With his usual courtesy he approached me on this

matter before the second reading was taken this morning and I desire also, Sir, to be as courteous as I can in the matter and be as fully explanatory as I can.

I am authorized by you, Sir, to give the Noble Lord and hon. Members opposite an assurance that the principles underlying this legislation will be examined at an early meeting of Executive Council. Examination of that matter was taken at a meeting of Executive Council some four months ago. It was then deferred for a further period and I can only reiterate, Sir, that Your Excellency is prepared to give further consideration to that matter at a very early date.

**HIS EXCELLENCY:** The question is that a Bill entitled "a Bill to Amend the Defence Force Ordinance, 1927," be read a second time.

The question was put and carried.

#### SUSPENSION OF STANDING ORDERS.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, with your leave I now beg to move that Standing Rules and Orders be suspended in order to enable the following Bills to be introduced and taken through all their stages without due notice:—

The Registration of Titles (Amendment) Bill.

The Carriage of Goods by Motor (Control) (Amendment) Bill.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

The question was put and carried.

#### FIRST READING.

**THE REGISTRATION OF TITLES (AMENDMENT) BILL.**

On motion of the hon. the Acting Attorney General the Registration of Titles (Amendment) Bill was read a first time.

#### SECOND READING.

**THE REGISTRATION OF TITLES (AMENDMENT) BILL.**

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Registration of Titles Ordinance.

Your Excellency, ever since the Registration of Titles Ordinance was passed so long ago as 1910 doubts have been expressed as to whether a lien by way of deposit of documents which may be created by virtue of section 66 of the Ordinance creates a charge on the land included in the documents so

deposited. These doubts have been expressed, Sir, in the main by the banks operating in the Colony in whose favour these items are most often created and who naturally expect to get a completely safe security in return for the money they lend and who intimated that they are seriously perturbed at the uncertainty of the present situation. Although it was, I think, Sir, intended that a lien by way of deposit of documents should create a charge on the land included in the document so deposited, yet it is certainly doubtful whether section 66 of the Ordinance as it stands at present creates that charge, and this Bill has been introduced into this Council to make it quite clear that a lien by way of a deposit of documents creates such a charge. To obtain a loan from a bank, Sir, by means of a lien is a much more inexpensive procedure for an individual than to give a legal charge, which is a mortgage, over his property, but the banks do not as a general rule grant loans unless they have complete security. It is essential that the security for a loan should be in every way as complete as that created by a legal charge. The object of this Bill, therefore, is to make a lien by way of deposit of title deeds as complete a security as if it were a legal charge.

The word "lien" has proved to be unsatisfactory, and it is proposed therefore in this Bill to substitute the word "charge" for the word "lien" by amending section 66. The result will be that a charge may be created by deposit of documents of title to the land, as the word "charge" in the Principal Ordinance is defined to mean any charge created on land for the purpose of securing the payment of money. It will be seen that from now onwards a person requiring a loan who does not want to incur heavy legal charges will be able to create a charge in an inexpensive way by way of deposit of documents of title as, of course, has hitherto been done by way of a lien by way of deposit of documents—but the word "lien" is not satisfactory—and the banks will get as complete security as that given by a legal charge.

I may say, Sir, that this Bill has the full approval of the Law Society of Kenya and the banks operating in the Colony, and I think I may possibly pay a tribute to the Law Society of Kenya by saying that they were perfectly willing, in order to help things along generally, to offer no opposition at all to this Bill.

Clause 2, Sir, of the Bill amends section 46 of the Registration of Titles Ordinance so as to make it clear that land may be charged or made security as well by a charge by way of deposit of documents as by a legal charge.

Clause 3 of the Bill, Sir, inserts a section in the Principal Ordinance providing that the various formalities which have to be carried out when land is made security by way of a legal charge shall not apply when land is charged by way of deposit of documents.

Clause 4 replaces section 66 of the Principal Ordinance in this respect of the word "lien" and provides that a charge may be created by the deposit of documents of title to land. The word "charge", as I have said before, is now used—creating a charge on land included in the documents of title through deposit.

Clause 5 provides for the discharge of a charge by way of deposit of documents, and clauses 6 and 7 repeal and replace Forms "U" and "V" of the Ordinance to accord with the new section 66.

Clause 8 makes the Bill retrospective in effect to the 21st January, 1920, the date that the Registration of Titles Ordinance came into operation.

So much, Sir, for the Bill as it stands. But, Sir, it came to my notice after the Bill was drafted that section 52 of the Principal Ordinance requires the signatures which are appended to Forms "U" and "V" of the Bill to be attested, and I shall therefore move, with your leave, when this Council is in the Committee Stage that Form "U", which is repealed and replaced by section 6 of the Bill, be amended by the addition thereto at the end thereof of the words "Signed in the presence of"; and that Form "V", which is repealed and replaced by section 7 of the Bill, be amended by the addition thereto at the end thereof also of the words "Signed in the presence of". I have already, Sir, given notice of these amendments, which are really formal ones only, Sir.

I beg to move the second reading of this Bill.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Registration of Titles (Amendment) Bill be read a second time.

The question was put and carried.

### FIRST READING.

#### THE CARRIAGE OF GOODS BY MOTOR (CONTROL) (AMENDMENT) BILL.

On motion of the Hon. the Acting Attorney General the Carriage of Goods by Motor (Control) Amendment Bill was read a first time.

### SECOND READING.

#### THE CARRIAGE OF GOODS BY MOTOR (CONTROL) (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Carriage of Goods by Motor (Control) Ordinance, 1931.

Sir, section 8 of the Carriage of Goods by Motor (Control) Ordinance, which was passed recently, provided for the compulsory insurance of motor vehicles which have taken out a licence under the Ordinance. This section, Sir, corresponds very largely with the provisions in the English Road Traffic Act of 1930 with regard to the insurance of motor vehicles but, Sir, after the Ordinance was passed it was pointed out to Government by the Motor Insurance Association of East Africa that one provision which is contained in that portion of the English Act dealing with compulsory insurance had been omitted from our Ordinance and that it was a very important one from the point of view of the insurer. The provision, Sir, has the effect that nothing shall be taken to render void any provision in a policy requiring the person insured to repay to the insurer any sums which the latter may have become liable to pay under the policy and which have been applied to the satisfaction of the claims of third parties. It is pointed out by the Insurance Association that this provision preserves the right of the insuring company to recover from the insurer any payments which the insuring company has had to make which have been applied to the satisfaction of the claims of third parties. The Insurance Association further point out that the inclusion of this provision, which is also included in the English Act, is absolutely necessary for their protection. They further point out that although the Ordinance compels insurance companies to satisfy third party claims, notwithstanding any act or omission of the insured, in the event of any serious claim there is no reason why the insured should be allowed to escape responsibility. The insurance companies say that they would be very reluctant to issue any insurance policy under the Ordinance so long as the Ordinance remained as it is without this extra provision.

I might perhaps, if I can, give to hon. Members a practical example of what the addition means—of how things would work out if this provision is not included in the Ordinance and how they would if the provision is included. Suppose then that the Ordinance stands as it does now. A person takes out a licence, drives a lorry, has a collision with a third party and, either owing to negligence or because he is ill or something of that sort, he neglects to give the insurance company any sort of notice at all of the fact that he has had an accident, say, for three months. By that time the claim

from the third party comes in and probably the witnesses and the various persons who would be able to help the insurance company to make up a defence against the claim have either gone from the Colony or are scattered throughout the Colony. As the Ordinance now stands, although the insurance company have to pay the third party's claim, they would have no claim at all against the owner of the licence, even though he had been extremely negligent and careless. With this provision in, Sir, it will enable the insurance company to put a clause in the policy providing for such circumstances; that is to say, that if the policy holder is careless or has not reported the facts within a certain reasonable time to allow the company proper time to make their defence, he shall be liable to reimburse them the sum they have to pay to the injured third party.

Your Excellency, I beg to move the second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Carriage of Goods by Motor (Control) (Amendment) Bill be read a second time.

THE HON. CONWAY HARVEY: Speaking for myself, Your Excellency, I intend to vote for the motion before the House, as it undoubtedly represents at least one small step in the right direction. But I should like to know, Sir, from whatever hon. Member in this House represents the High Commissioner for Transport whether he is entirely satisfied, and whether the Inter-Colonial Railway Council is entirely satisfied, with the workings of the Ordinance now under discussion. I should like to know, Sir, whether further amendments are under the consideration of Government at the moment and I should very much like to hear from my friend, the hon. General Manager, what are the principal defects which have been found in the Ordinance in the light of experience gained since it was passed a few weeks ago. In my opinion, Sir, the Ordinance in the emasculated form in which it was passed entirely fails, as it must fail, to achieve its object, which was quite clearly to stop unfair and uneconomic competition with the transportation services. What is the result to-day, Sir? The revenues of the Colony are enlarged by a sum of which the Railway revenues are deprived. That, Sir, is quite farcical: it comes out of the pockets of the taxpayers in any case and it is a thoroughly bad thing for everyone concerned.

I am very sorry, Your Excellency, that the personnel of the Licensing Board does not include, at least one Elected Member, as there are many who have made a very special

study of this subject for a large number of years, and I feel very strongly that the advice of such a Member would be nothing but helpful to the deliberations of that Board. If this goes on, Sir, as it stands to-day there is no shadow of doubt whatever that the Railway must inevitably incur enormous losses. I saw a figure of something like £40,000 quoted a few days ago in the local Press, Your Excellency, as being the estimated loss as a result, of the very small number of licences which have been issued to date. That cannot go on indefinitely, and Railway losses of that magnitude must inevitably lead to one of two things; either reduced expenditure, which we are told is difficult, or increased freights on produce; and there is no shadow of doubt, Your Excellency, that increased Railway freights on agricultural produce at the present time would constitute a crushing burden on the agricultural industry which would have very serious effects on Government revenue generally as well as Railway finances.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Your Excellency, with regard to the point raised by the last speaker, I would like to say that, as the representative of the Railway Administration, the working of this Bill has caused me profound disappointment. In the Report of the Select Committee I included a proviso wherein I explained why I thought that certain provisions of the Bill might lead to its working in a way which did not meet the needs for which it was required. I think that has been proved by the fact that at least a number of licences to the extent of twenty-six have already been issued by this Board, and I understand that on the services asked for by the applicants those licences will represent a loss of something like £40,000, as mentioned by the last speaker. I understand that a further twenty-eight applications for licences have since been received and if this goes on and if licences are granted in the way they have been in the past, we shall be in exactly the same position as we were before the Bill was introduced: with one important difference. The Bill introduces a system of licences which to my mind will mean that these motor organizations must organize themselves in such a way as to be able to make a paying service. Previously much of the motor competition was haphazard, but now the licence increases the cost of those services considerably, it means that steps will have to be taken by those applicants to see that their services are properly organized. That means that competition will in fact be much greater. The effect of this competition on Railway working is well known. It has been mentioned frequently in Railway debates and in Railway reports. As the hon. Member opposite has mentioned, the matter can only be dealt with in the rates policy. I feel no



one wants such an alteration at the present time and yet, if competition of this sort goes on, I can see no way in which the Railway Council can deal with this matter in any other way. In considering the number of licences that have already been issued, the Railway Council at its recent meeting expressed grave concern about where this is going to end and I feel I should neglect my duty if I did not make it quite clear that the working of the Bill from the Railway point of view appears to have achieved very little object.

**HIS EXCELLENCY:** The question is that the Carriage of Goods by Motor (Control) (Amendment) Bill be read a second time.

The question was put and carried.

### FIRST READING.

#### THE SALE OF WHEAT (AMENDMENT) BILL.

On motion of the Hon. the Acting Attorney General the Sale of Wheat (Amendment) Bill was read a first time.

Notice was given to move the second reading at a later stage of the session.

*The Council adjourned for the usual interval.*

*On resuming.*

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move that this Council resolve itself into a Committee of the whole Council to consider clause by clause the following Bills:—

The Registration of Domestic Servants (Amendment) Bill.

The Defence Force (Amendment) Bill.

The Registration of Titles (Amendment) Bill.

The Carriage of Goods by Motor (Control) (Amendment) Bill.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

The question was put and carried.

The Council went into Committee.

*In Committee.*

THE REGISTRATION OF DOMESTIC SERVANTS (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE DEFENCE FORCE (AMENDMENT) BILL.  
The Bill was considered clause by clause.  
Clause 2.—Repeal and replacement of section 4 (1) of the Principal Ordinance—Central Defence Committee.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move that a new clause, to be numbered 2, be inserted after clause 1, and that the following clauses be renumbered accordingly:—

"2. Section 4 (1) of the Principal Ordinance is hereby repealed and the following substituted therefor:

4. (1) The Governor shall appoint a Central Defence Committee consisting of the Officer Commanding Troops, Commandant, Commandant of the Kenya and Uganda Railways and Harbours Services, and one delegate from each Defence Force District."

**THE HON. THE ACTING COLONIAL SECRETARY:** May I suggest for the consideration of my learned friend that the wording is perhaps a little abrupt and in one respect not quite accurate. "The Officer Commanding Northern Brigade" is, I think, a more accurate term at this moment than "the Officer Commanding Troops." I would suggest also, Sir, that the word "of" be inserted before the word "Commandant" in two places, that the word "of" be inserted after the word "Commandant" where it appears for the second time, and that the word "Unit" be inserted after the word "Services."

**THE HON. T. J. O'SHEA:** Arising out of that suggestion, it seems to me, Sir, that the "Officer Commanding Troops" is a much safer title. It is clearly understood in the Colony. I do not think there is any real objection to it and if our military dispositions are changed in the future and we should no longer have a Northern Brigade—we might have a Southern Brigade—we should again have to amend the Ordinance. I suggest for consideration that the term "Officer Commanding Troops" be allowed to stand.

**LT.-COL. THE HON. C. G. DENHAM:** Further than that, Sir, it may be possible in the future that the whole of the Forces are under his command, not merely the King's African Rifles. I agree that "Officer Commanding Troops" should stand.

**THE HON. THE ACTING COLONIAL SECRETARY:** I have no strong feelings in the matter at all.

**COL. THE HON. R. WILKINSON (OFFICER COMMANDING NORTHERN BATTALION):** The point is that in the other Ordinance the Officer Commanding Troops is now referred to as the Officer Commanding Northern Brigade. I think it is merely a legal point that the name should be the same throughout the various Ordinances.

**HIS EXCELLENCY:** We will leave it at "the Officer Commanding Troops."

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** It is more inclusive.

**HIS EXCELLENCY:** It is a wider term.

The question is that a new clause, to be numbered 2, be inserted after clause 1, and that the following clauses be renumbered accordingly:—

"2. Section 4 (1) of the Principal Ordinance is hereby repealed and the following substituted therefor:

4. (1) The Governor shall appoint a Central Defence Committee consisting of the Officer Commanding Troops, the Commandant, the Commandant of the Kenya and Uganda Railways and Harbours Services Unit, and one delegate from each Defence Force District."

The question was put and carried.

Clause 3.—Repeal and replacement of section 6 of the Principal Ordinance—Appointment and duties of District Commandants and Section Commanders.

**THE HON. THE ACTING ATTORNEY GENERAL:** I beg to move, Your Excellency, that old clause 2 and now clause 3 of the Bill be repealed and replaced as follows:—

"3. Section 6 of the Principal Ordinance is hereby repealed and the following section substituted therefor:—

6. (1) The Governor shall appoint in each Defence Force District a Local Defence Committee which shall include the

District Commissioner of any area included in such Defence Force District and such other persons as the Governor may approve. Each member of each Local Defence Committee shall hold office for the term of three years unless his appointment shall be terminated at an earlier date by the Governor.

(2) The Governor shall, after consultation with the Commandant, appoint in each Defence Force District a District Commandant and such Section Commanders as he may deem expedient. Each District Commandant shall *ex-officio* be chairman of the Local Defence Committee for the district in which he is appointed.

(3) The District Commandant, Section Commanders and Local Defence Committee shall respectively perform such functions and shall exercise such powers and duties as may be prescribed by the Ordinance or by any regulations made hereunder."

His EXCELLENCY: The words "and replaced" at the beginning of the new clause 3 would appear to be unnecessary.

The question is that old clause 2 and new clause 3 of the Bill be repealed and replaced as follows:—

"3. Section 6 of the Principal Ordinance is hereby repealed and replaced and the following section substituted therefor:—

"(1) The Governor shall appoint in each Defence Force District a Local Defence Committee which shall include the District Commissioner of any area included in such Defence Force District and such other persons as the Governor may approve. Each member of each Local Defence Committee shall hold office for the term of three years unless his appointment shall be terminated at an earlier date by the Governor.

(2) The Governor shall, after consultation with the Commandant, appoint in each Defence Force District a District Commandant and such Section Commanders as he may deem expedient. Each District Commandant shall *ex-officio* be chairman of the Local Defence Committee for the district in which he is appointed.

(3) The District Commandant, Section Commanders and Local Defence Committee shall respectively perform such functions and shall exercise such powers and duties as may be prescribed by the Ordinance or by any regulations made hereunder."

The question was put and carried.

Clause 4.—Amendment of section 7 of the Principal Ordinance.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that old clause 3, now clause 4, of the Bill be repealed and replaced as follows:—

"4. Section 7 of the Principal Ordinance is hereby repealed and the following section substituted therefor:—

(1) The District Commandant shall draw up a scheme of defence for his district, including the selection of rallying points, the establishment of defensive posts and the arrangement of a system for the collection and use of available supplies and transport during such period as the Defence Force or any portion thereof shall be called out on active service.

(2) The District Commandant shall also collect such topographical and other information as he may consider necessary or expedient. Any such topographical information shall be inserted in the existing maps of the Defence Force District so that the same shall at all times be kept up to date.

(3) The District Commandant shall from time to time send duplicate reports on all or any of the foregoing matters to the Staff Officer of the Kenya Defence Force.

(4) The Commandant, Staff Officer, and District Commandant, or any of them, may, from time to time and at such times as they or any of them may think fit, convene a meeting of the Local Defence Committee for the purpose of consulting such Committee upon any matters concerning the Defence Force: Provided that the function of such Committee shall be advisory only."

LT.-COL. THE HON. C. G. DURHAM: With regard to sub-clause (4), may we have the Staff Officer of the Kenya Defence Force instead of "Staff Officer" at the beginning of the sub-clause because out in the district the Commandant has a Staff Officer and there might be confusion.

His EXCELLENCY: The question is that old clause 3, new clause 4, be repealed and replaced as follows:—

"4. Section 7 of the Principal Ordinance is hereby repealed and the following section substituted therefor:—

"7. (1) The District Commandant shall draw up a scheme of defence for his district, including the selection of rallying points, the establishment of defensive posts and the arrangement of a system for the collection and use of available supplies and transport during such period as the Defence Force or any portion thereof shall be called out on active service.

(2) The District Commandant shall also collect such topographical and other information as he may consider necessary or expedient. Any such topographical information shall be inserted in the existing maps of the Defence Force District so that the same shall at all times be kept up to date.

(3) The District Commandant shall from time to time send duplicate reports on all or any of the foregoing matters to the Staff Officer of the Kenya Defence Force.

(4) The Commandant, the Staff Officer of the Kenya Defence Force, and District Commandant, or any of them, may, from time to time and at such times as they or any of them may think fit, convene a meeting of the Local Defence Committee for the purpose of consulting such Committee upon matters concerning the Defence Force: Provided that the function of such Committee shall be advisory only."

The question was put and carried.

Clause 5.—Amendment of section 8 of the Principal Ordinance.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that old clause 4, now clause 5, be deleted and that the subsequent clauses be renumbered accordingly.

His EXCELLENCY: It will not be necessary to move "and that the subsequent clauses be renumbered accordingly".

The question is that old clause 4, now clause 5, be deleted.

The question was put and carried.

#### THE REGISTRATION OF TITLES (AMENDMENT) BILL

The Bill was considered clause by clause.

Clause 6.—Repeal and replacement of Form "U" in the Schedule I to the Principal Ordinance.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that clause 6 be amended by the addition to Form "U" contained therein of the following words at the end thereof:—

"Signed in the presence of."

The question was put and carried.

Clause 7.—Repeal and replacement of Form "V" in the Schedule I to the Principal Ordinance.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that clause 7 be amended by the addition to Form "V" contained therein of the following words at the end thereof—

"Signed in the presence of."

The question was put and carried.

THE CARRIAGE OF GOODS BY MOTOR (CONTROL) (AMENDMENT) BILL.

The Bill was considered clause by clause.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that the Registration of Domestic Servants (Amendment) Bill and the Carriage of Goods by Motor (Control) (Amendment) Bill be reported to Council without amendment; and that the Defence Force (Amendment) Bill and the Registration of Titles (Amendment) Bill be reported to Council with amendment.

The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that the Registration of Domestic Servants (Amendment) Bill and the Carriage of Goods by Motor (Control) (Amendment) Bill have been considered clause by clause in Committee of the whole Council and have been reported to Council without amendment; and that the Defence Force (Amendment) Bill and the Registration of Titles (Amendment) Bill have been considered clause by clause in Committee of the whole Council and have been reported to Council with amendment.

THIRD READINGS.

THE REGISTRATION OF DOMESTIC SERVANTS (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the Registration of Domestic Servants (Amendment) Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE DEFENCE FORCE (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the Defence (Amendment) Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE REGISTRATION OF TITLES (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the Registration of Titles (Amendment) Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

THE CARRIAGE OF GOODS BY MOTOR (CONTROL) (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the Carriage of Goods by Motor (Control) (Amendment) Bill. Your Excellency, I beg to second.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned till 10 a.m. on Friday,  
the 27th November, 1931.*

FRIDAY, 27th NOVEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Friday, the 27th November, 1931, His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 26th November, 1931, were confirmed.

#### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.):

Report of Select Committee on Third Supplementary Estimates, 1930.

By THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG-GEN. G. D. RHODES):

Estimates of Revenue and Expenditure of the Kenya and Uganda Railways and Harbours, 1932.

#### BILLS.

##### SECOND READINGS.

THE NATIVE CHRISTIAN MARRIAGE AND DIVORCE BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Provide for the Marriage of Native Christians and for the Dissolution of such Marriages be read a second time.

For some years past, Sir, there has been on the Statute Book of the Colony a Native Christian Marriage Ordinance, the object of which was to do away, in the case of native marriages according to the Christian faith, with the formalities which the law requires preliminary to marriage in the case of other races. But, Sir, that legislation hardly went far enough, in my submission, because it did not in any way envisage the position of those who were parties to a marriage according to native law and custom who subsequently became members of the Christian faith and who desired to become married in accordance with the tenets of their faith. In that

case, Sir, the law in effect stigmatized the parties to that marriage by regarding their previous union, which in the eyes of their own people was a perfectly lawful union, as unlawful and immoral. The Bill now in the hands of hon. Members, in clauses 2, 3, 4, 5, 7, 8 and 9 repeats the provisions of the existing Native Christian Marriage Ordinance; with those provisions, Sir, I do not propose at this moment to deal, but there remain for consideration clauses 6, 10 and 11 of the Bill. Those are new, Sir, and because they are new hon. Members, I am sure, will give me a few minutes' indulgence while I attempt briefly to explain their provisions and the reasons that underlie the making of these provisions.

Clause 6 deals with the difficulty of which I have just spoken. It provides for a ceremony of marriage, a ceremony of Christian marriage between parties who are already married in accordance with native law and custom, which recognizes the legality of that marriage by native law and custom and imposes no stigma upon the parties to that marriage but converts it into a marriage in accordance with the Christian faith.

The other two clauses, Sir—10 and 11—deal with other and novel matters. Clause 10 introduces a new principle in that it confers upon the widow of a Christian marriage the right to the maintenance and support of her children, the right to the guardianship of her children until they attain the age of sixteen years or, in the case of a girl, marriage. At the present moment, Sir, as hon. Members are no doubt aware, the Supreme Court have held that a native woman never attains her majority, that she is in fact throughout her life a chattel, either of her parents in her early years or of her husband during her married life or of the husband's relatives after the death of that husband. She can in effect never attain majority in law. The reason for the change, Sir, which is imported in this clause is that as we are legislating for Christian natives it is only right, in the interests of the offspring of these Christian marriages, that the Christian influence should have a chance of obtaining and subsisting throughout their early and more impressionable years. At the present moment, Sir, if a native woman who is a Christian and who is a party to a Christian marriage is left a widow the children will be inherited by the relatives, and in many cases by pagan relatives, and will be removed from all Christian influence and will not have the same chance of continuing to live a Christian life that he or she will have if the provisions of this Bill are accepted.

Clause 11, Sir, logically I think follows from the provisions of the first nine clauses. A simplified and informal system of marriage has for many years been in force in the

Colony in the case of natives, but when it comes to the dissolution of those marriages there is no means open except recourse to the Supreme Court, a course which means time, expense and frequently bewilderment. It is now provided here that marriages celebrated either under the Native Christian Marriage Ordinance, which is repealed by this Bill, or under this Bill itself may be dissolved by a magistrate of the first or second class.

On the Order Paper yesterday, Sir, there appeared, in pursuance of Standing Rules and Orders, notice of three amendments to this Bill, and with those, Sir, I would ask leave to deal very shortly. The first one affects clause 5 of the Bill which deals with consent. Representations have been made, Sir, that as our real object in promoting this legislation is to enable natives who are Christianized to marry and remain Christians, it will to a very large extent be stultified by the provisions relating to consent. There is in the case of a native woman, I repeat, always either a parent or a guardian. There is someone to whom that native woman is in a state of tutelage, and in many cases, Sir, that someone is not a Christian and has a profound and a natural belief in native law and custom; and unfortunately one of those native customs, in some districts at least, is that a girl should be married to the person who can best afford to give an adequate solatium to the parents or guardians for her loss and is very frequently not a Christian at all. The effect would possibly be, Sir, in many cases, that the provisions of this legislation would be and would remain a dead letter. The suggested amendment, Sir, follows recent legislation in the Guardianship of Children Act in England and authorizes a Provincial Commissioner to give consent where consent to a marriage under this Ordinance is withheld. The amendment, Sir, limits the power to Provincial Commissioners; it does not even go so far as magistrates of the first class. The feeling of Government on the matter, Sir, was that consent should not be made too easy, and secondly that the power of consent should be vested only in the hands of those who, from their long experience in administrative matters and their long and direct contact with the native tribes of the Colony and their knowledge of native law and custom, are best in a position to see how far it is safe in any particular case to give consent or to withhold consent.

The second amendment, Sir, deals with clause 10, with which I am afraid I have already taxed the patience of the House. As the clause is drafted unfortunately the guardianship of the children of a Christian union is vested in the widow no matter what her life may be during her widowhood. The test in the Bill as printed is merely the fact that she has

been a party to a native Christian marriage. The object that we had in mind in putting forward that clause, Sir, I have already endeavoured to outline. That object will not necessarily be achieved by the Bill as printed, and it is therefore suggested, Sir, to limit the right to the guardianship of her children in the case of a Christian widow to that time during which she continues to profess the Christian faith.

The third amendment, Sir, on which I should like to say frankly Government has a perfectly open mind, deals with clause 11, the clause which empowers magistrates to grant the dissolution of marriages. It has been suggested to Government, Sir, that we should not do anything that will make divorce too easy and that the power to grant the dissolution of a marriage should be limited to magistrates of the first class and that magistrates of the second class should have no such power. That amendment has been put forward because representations to that effect have been made but I do wish to emphasize that point, Sir, that Government has and will continue to have a completely open mind on that particular amendment. The two former amendments Government does commend to the attention of hon. Members, but the third one is put forward in order that it may be considered carefully and that it may be discussed by hon. Members; Government has no particular views one way or the other on that particular point.

One word more, Sir, and I am done. I am authorized to state, Sir, that it is your intention to refer this Bill to a Select Committee of this House. The Select Committee consists, Sir, of the hon. the Chief Native Commissioner, the hon. Member for the Lake, the hon. Member for Mombasa, the hon. Nominated Member representing Native Interests, with myself as Chairman.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Bill to Provide for the Marriage of Native Christians and for the Dissolution of Such Marriages be read a second time.

THE HON. CONWAY HARVEY: Your Excellency, when I first saw this Bill I made up my mind quite definitely to oppose it but a great many of the objections, Sir, have undoubtedly been removed by the three amendments proposed by the learned mover, and I am particularly glad to hear the terms of the third amendment, which must certainly have my unqualified support.

Now, Sir, I think one is justified in feeling a certain amount of uncertainty in regard to this measure inasmuch as Government itself has been extremely diffident about introducing it over a very long period of years. The history of the matter is interesting, Sir. In the year 1916, as a result of a Report by a very learned Committee—Government took six years to consider the terms of a draft bill which, in course of time, was introduced into this House, and it was, Sir, rejected by this House on the third reading on a motion put forward from this side of the House, supported by quite a few of the hon. gentlemen opposite, who, in those days, were allowed to vote according to their consciences.

Now, Sir, so long as I can be reassured on certain points, I intend to vote for the second reading, more especially as it is going to a Select Committee, when matters of detail can be considered. The points on which I should like to be reassured, Your Excellency, are as follows:

I should like to know, firstly, if there is a general and undisputed demand for this legislation on the part of those who are to be chiefly affected, namely, the pagan natives of Kenya. We were told, Sir, in 1922, and there was no contradiction of the allegation, that similar legislation which had been in force in Uganda for a large number of years had proved a dismal failure, and was admittedly so, by members of the judicial body in Uganda.

I should like to know also, Sir, whether all religious bodies organized in Kenya have been consulted in regard to this measure. It seems to me, Sir—and I hope I am wrong—that there is a very grave danger, if this Bill becomes law, that it will have the undesirable effect of stimulating adulterous intercourse and may even put a premium on prostitution.

Now, Sir, we are dealing with a very serious subject and we should be assured that the natives who are concerned do really understand such measures. I should like to know what would be the position of a Christian married native who tired of his wife and then reverted to paganism and married somebody else, according to native law and native custom? I suggest, Sir, that ten years for bigamy is what he would get now. There is no shadow of doubt, and we have shown it a hundred times, that we are all most anxious to improve the status of Kenya natives and of all natives in every way, but, Sir, I am not one of those who believes that natives who are steadily emerging from barbarism are capable of reaching at a bound twentieth century civilization. That, Sir, demands a feat in evolution of which humanity is quite incapable.

The HON. F. A. BARMISTER: Your Excellency, I was intensely pleased at the amendments suggested by the hon. the Acting Colonial Secretary, especially with regard to clause 5 where he placed the guardianship of the African under the Provincial Commissioner. I do not think, so long as I have been in this House, that a better suggestion has ever been heard. Freely, right through the Colony, the Provincial Commissioner is recognized by the African as the father of the African. There is no question about it that when a Provincial Commissioner takes a pet interest in his people matters flowing between them work with an ease and a confidence that is absolutely unbelievable.

There is only one point really in the Bill which I am in total disagreement with. Actually, Sir, it is the title. I cannot conceive why a Bill should be so crudely named "Marriage and Divorce Bill." The Tanganyika Government have a much nicer name; they call it "Marriage of Christian Native Rights Bill." It would seem to me that mention of the draft Bill and the title would, in other circumstances, suggest a bill named the "householders and burglars protection society." It is so contradictory and I would be very glad if some alteration, perhaps in Committee, could be made in that small detail.

As the hon. the Colonial Secretary has said that Clause 11 is entirely open for discussion and nothing decided on it, I do sincerely hope that in Committee we shall be able to arrive at some solution of a very great difficulty. I personally do not agree with divorce of any kind and I much more disagree with the encouragement of a low educated or a low evolved type of people in such a very dangerous principle. In fact, Sir, you will find all over the world to-day—except where constituted authority of every kind is being done away with—that thinking people are gradually coming round to the fact that the marriage bond should be considered more sacred and more indissoluble. It is only where you find ragamuffins, who deny all property rights and authority of any kind that you find people are helping themselves to the property of others through legal enactments. And, Sir, to bring a pro-law type of individual, knowing full well that at any time their passions may be aroused by one means or another, to case the chains by a dissolution of their marriage, I do think requires very, very careful consideration and I would ask the Government, Sir, to allow us to do everything we possibly can not only not to case it, but I would like to see it taken out of this Bill entirely to show the Africans how we wish them to be benefitted by the marriage laws, and cut out any

idea or any suggestion of the anomaly at least that while we are helping you in one direction we do not want to push you down in another.

THE REV. CANON THE HON. H. JEAKY: Your Excellency, as a minister of religion, naturally this Bill interests me very much indeed and I have been on the special committee which was appointed specially to consider the whole of these questions. Perhaps I may be allowed to inform the hon. Member for the Lake that as far as I know on this last Committee all parties and all denominations were consulted and fully represented upon that Committee.

I think perhaps I may explain how it was that there was a fiasco in years gone by. The hon. Member has told us, I believe, about the missions making a mistake in not consulting all members. If they did make a mistake I am sure they are sorry for it and will apologize, but at the present time the Committee is fully representative and I am glad to say there has been extraordinary unanimity in the suggestions drawn up, and I am quite sure also that the other members of the Committee will wish me to thank and congratulate the Attorney General who took up our suggestions and put them into such concise and excellent form. They certainly came out in a very different way from what they would have done without his legal advice.

May I also say I am very thankful indeed that Your Excellency has appointed a Select Committee and I thank you for putting me on it, but I would like to ask further if you will fully assure me that the Select Committee does not meet until a reasonable time has been given for the special committee to meet once more in regard to these three amendments because I think I am right in saying that these amendments have been suggested to the Attorney General by correspondence and that the various members have not yet agreed. I am not sure, but I think that some have rather come from one denomination and others from another, and in all probability they will all agree, but it seems to me only fair to that special committee that if these three important amendments—which I personally agree with—are put forward they should have a chance of considering them in that special committee. It would be a great pity if the unanimity which has taken place so far were to be broken up by the fact that these amendments were not giving satisfaction to a certain portion of the Church.

Just one word more, Sir. I must say that I agree with the hon. Member for Mombasa in not very much liking the title. I am in full accord with the first part but it is cut into two sharp sections. I can speak from a very intimate

knowledge indeed of the marriage of these young Christians rising up all over the world and it could well be a valuable help to them and a great source of relief.

With regard to the question of divorce and dissolution, I hate the whole thing and dislike divorce more than anybody possibly can. We are only forced by having some sort of way for allowing this kind of thing to happen but I must say I do not like this Bill which seems to be pushing the question of divorce and dissolution so much to the front. If my learned friend the Attorney General can find some way of relieving that matter in the title I and the member for Mombasa will be very pleased.

THE HON. T. J. O'SHEA: Your Excellency, it is very pleasant and very refreshing to hear that this important Bill is going forward with such a wide general measure of agreement. There are just one or two points about it which attract my attention, very largely by the statement of the hon. mover. I feel rather uneasy about the statement that the guardianship of the children will only be left to the mother if she remains a member of the Christian faith in which she was married. I do not in the least like the idea that maternal rights should be subordinated to theological considerations. I should like to ask to whom the guardianship of the children would be given if the woman ceased to profess Christianity and if her immediate relatives were pagans? Would it then happen that the Provincial Commissioner, the father of the natives, would be handed over the guardianship of some Christian child, and would a woman be deprived of her maternal rights in regard to those children?

There is one other point, Sir—apparently there is a very interesting advance in the status of married women embodied in this Bill. She has now the right in law to attain majority, but apparently the attainment of majority will only be to the extent her life is affected by this Bill. She is only under this Bill given very limited rights over her children. I should like to ask, Sir, whether it is possible for a woman to discharge the obligations of that new status without having a further extension of her rights as a human being who has attained majority or whether her position will not be made extremely difficult unless she has the property rights that she would naturally attain by being recognized as an adult human being under other legislation?

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, there is only one point I wish to refer to. The hon. and reverend gentleman who spoke just now suggested that this should be sent back to the original Committee, I think I should like to suggest, Sir, that as Government have agreed

to appoint a Select Committee the proper way of dealing with such things would be for the Select Committee to hear the evidence of people who wish to give it on these particular points.

HIS EXCELLENCY: If no other hon. Member wishes to speak I will call upon the hon. mover to reply.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I found the debate of the last half-hour one of very particular interest indeed. Points of quite major importance have been raised and to the hon. Members who raised them I should like to express my personal gratitude. I do feel, Sir, and feel emphatically that the trend which the debate has taken in the last half-hour will go a very long way towards assisting the deliberations of the Select Committee on this measure. There are one or two points, Sir, which, as they have been raised publicly here, I think I ought to deal with in open Council rather than reserving them for discussion in the Select Committee's deliberations. A further opportunity will, of course, arise there but I think that particularly in the matters on which the hon. Member for the Lake asked for reassurance I should do my best to give him the assurance that he requires here and now.

The first point, Sir, is whether there was and is a general and undisputed demand for this measure on the part of pagan natives. On that, Sir, I can only say this: the Committee which considered this measure at very great length was not only fully representative of all the larger Christian Mission bodies in this Colony but was also extremely representative of the Administration. The Chief Native Commissioner and several Provincial Commissioners sat and gave a great deal of time and a great deal of care to this measure. Many of the proposals which were put forward at different times during the sittings, the very prolonged sittings, of that Committee were discarded as a result of opposition from the Administrative Officers who, in so opposing them, were putting forward the views of the native community which they serve. I think the hon. Member can rest assured that the interests of the pagan natives of the Colony as a whole have been amply considered and that the passing of this measure will in no way adversely affect them.

Whether the Uganda legislation which follows this line has or has not been a failure, Sir, is a matter upon which I am quite incompetent to pronounce, but there is no evidence, Sir, that the legislation which we have had here since 1904 has proved a failure. The sole changes are the three which I have endeavoured to indicate, but there has been a complete statutory structure for the solemnization of native



Christian marriages for the last twenty-seven years and the suggestion has never until this morning been made, even by implication, that that system has not proved a success.

With the third point the hon. and reverend Member, who represents native interests has dealt very fully. I would merely say in amplification that all the prominent Christian Mission bodies were represented on the Committee and that in all matters of any material import they were in complete unanimity and accord. The danger of stimulating adulterous intercourse, Sir, is one which I had not foreseen and which I am afraid I do not even yet foresee when I refresh my memory of the terms of the Bill. We cannot, of course, legislate to prevent such a danger completely, but I do suggest to the hon. Member that we are not making it any more likely by passing this legislation than if this legislation remained a dead letter.

The legal opinion which the hon. Member for the Lake hazarded as to the fate of a party to a Christian marriage who subsequently reverted to paganism and thereupon married according to native law and custom is, I am happy to say, completely correct. The provisions of the law as to bigamy are wide enough to cover such a case as that.

The hon. Member for Mombasa, Sir, has had his tender susceptibilities a little hurt by the title of the Bill. Exactly what title he would like, Sir, he has not suggested. I do not propose to deal with that now because there will be ample opportunity in the deliberations of the Select Committee, of which the hon. Member is to be a Member, but on clause 11 I entirely fail to follow him. The suggestion is that we are encouraging divorce and that were we to cut out that clause completely then there would be no possibility of the dissolution of a native Christian marriage. That is not so, Sir. The Supreme Court has, and always will have, inherently under the provisions of the general divorce law of the Colony the power to dissolve marriages under this Ordinance. All we are doing in that clause is to say in all fairness to the native community, "We are going to make—if you have just cause for a divorce—the test will be exactly the same as the Supreme Court applies and an appeal will lie to the Supreme Court—if you have just cause for a divorce then we are going to make it a little cheaper and a little easier for you. We are going to give it to you on the spot instead of forcing you to dissociate yourself from your tribe for a fairly prolonged period in coming to Nairobi and going to the Supreme Court, the workings of which you do not understand in the very slightest."

I should like, Sir, in answer to the hon. and reverend Member to make one point. The amendments of which I have given notice were not suggested in correspondence. They were the outcome of a long talk which I had with representatives of three of the Protestant Missionary bodies. At that interview there was complete unanimity.

THE REV. CANON THE HON. H. LEAKEY: On a point of order, may I apologize and say I did not intend to say that they were by correspondence with the Attorney General; I meant amongst the different members who asked one another by correspondence what they thought of the matter.

THE HON. THE ACTING COLONIAL SECRETARY: On that, Sir, I can only repeat that the different bodies were represented at the interview which I had with them; that on that occasion they were in complete unanimity; and that they very carefully reserved the view which the Church of Rome had expressed for the reason that it had not been convenient for the Prefect Apostolic of Kavirondo, who was a member of the Committee, to attend on that occasion, but I did receive a letter from the Prefect Apostolic saying how entirely he was in agreement with the other bodies on these first two amendments. So, Sir, I do not think the hon. and reverend Member need fear that there is going to be any lack of unanimity or any dissension among the Mission bodies if we go ahead with the Select Committee. On that, Sir, I would say how very heartily I personally agree with the Noble Lord, the hon. Member for Ukamba, that the proper course would be if representatives of Mission bodies or any other person wishes to express views on this Bill they should seek an opportunity, which will of course be accorded, to appear before the Select Committee, and that this measure should not be sent back to the very large Committee which has sat so often and is now, so far as I am aware, completely *junctus officio*.

The hon. Member for Plateau South, Sir, has raised a very interesting point indeed as to the status of native women. It is a tremendously difficult problem, Sir, but we are definitely making an advance in this matter. If this clause is not passed, then a native woman has no rights. The hon. Member mentioned property rights. They are, I suggest, Sir, very, very nebulous indeed. She is constantly the chattel of someone and has such rights as that position of tutelage confers, but has no individual rights whatsoever. We are here very definitely not only conferring a status upon the Christian widow, but we are definitely reserving her right of maintenance and support from the relatives of her husband and we are conferring upon her the right, so long as she embraces the Christian faith, of guardianship of her children until they

attain the age of sixteen which I suggest to hon. Members is an age at which the ordinary native, boy or girl, is able to fend for his or her self.

I beg to move that the Bill be read a second time.

HIS EXCELLENCY: The question is that the Native Christian Marriage and Divorce Bill be read a second time.

The question was put and carried.

HIS EXCELLENCY: I understand it has been agreed that the Bill shall now be referred to a Select Committee, the personnel of which has been announced by the Acting Colonial Secretary.

#### THE ENTERTAINMENTS TAX BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Impose a Tax on Admission to Entertainments be read a second time.

I do not propose, Sir, to apologize to the House for the introduction to-day of a further measure of taxation. For many weeks past the close attention and the very anxious thought of all of us has been devoted to the financial position of the Colony and it is the considered opinion of Government, Sir, that further taxation is, in fact, required. That further taxation, Sir, is, as hon. Members are aware, taking more than one form and to this particular form, Sir, I suggest hon. Members cannot be really very seriously opposed. That there is opposition to the general principle of additional taxation I understand. That is a point of view that everyone is entitled to take, a point of view which, when it is taken, must command the respect of all of us. But I would ask hon. Members to look at the matter from the other point of view. Let us assume for the moment that further taxation is necessary, then I suggest that that taxation which takes a form such as this is the least harmful and the least oppressive we can introduce: the least harmful and oppressive, Sir, for the reason that it is purely voluntary taxation. It is a tax on entertainment, on amusement. It is a tax which nobody need pay unless they desire to do so, which no one need pay unless they are financially in a position to do so.

Legislation such as this, Sir, was in force in the Colony in 1920 and 1921, and the Bill now in the hands of hon. Members very closely follows the form which that legislation took. But there are certain additions, namely: that legislation was based on the Finance (New Duties) Act of 1916 in England, an Act which first introduced Entertainments Tax, a form of tax which I would remind hon. Members is still in force in Great Britain. Shortly after that, Sir, further provisions were made in other English Acts of the same kind.

Those were not embodied in the 1920 Ordinance or in the 1921 amendment, but opportunity has been taken to embody them in this legislation. But there is one material difference between this Bill and the provisions of the English legislation. That difference is, Sir, that the scope of this Bill is wider; the provisions go further than in England by embracing in the definition of "entertainments" dances. When I say "dances", Sir, I naturally confine myself solely to those dances for which a definite and specific charge for admission is made. This is the first important difference between this legislation and the legislation in force ten years ago. I have already said, Sir, that opportunity has been taken to bring the legislation up-to-date and into line with the English legislation and when I have said that, Sir, I have in mind the provisions of Clause 8 dealing with exemptions for entertainments for philanthropic and charitable purposes when the whole of the takings are devoted to those purposes; and there is, further, discretionary power vested in the Treasurer to refund the tax paid in respect of such entertainments where the whole of the expenses do not exceed 20 per cent of the takings and further, educational entertainments, agricultural, horticultural exhibitions and small school entertainments are definitely exempted from the scope of the Bill.

The method of imposing the tax and the mode of collection of the tax remains as it was before, but there is one point, Sir, to which I think I ought specifically to refer. A certain amount has been said about this Bill in the Press locally and one point has been made which does merit careful consideration. The provisions of clause 7 of the Bill as drafted do not go so far as the English legislation in that they do not provide for cases of entertainments which form a part of another function, for instance, a dinner dance, where a charge is made for a dinner and the payment of that charge confers upon the diners the right to dance. That is covered in the English legislation by a clause empowering the Commissioners—a term which can be translated in this Bill to mean the Treasurer—to apportion this charge made between the dinner and the dance and I may suggest, Sir, that at a later stage—in Committee—that addition should be made in this clause of the Bill.

I do not think, Sir, that I am disclosing any secrets when I say that legislation of this nature has been very carefully considered by certain bodies in this Colony with a view to their suggesting its introduction to Government. It has been publicly stated, Sir, that one prominent gentleman, who represents some of those bodies here, regarded publication of the Bill as nothing short of a calamity because it forestalled

him in the suggestion that this legislation should be introduced. From that, Sir, I personally extract a certain degree of comfort. I do submit, Sir, that we should leave out of account for the moment entirely the question of whether further taxation is a good thing or not. Let us look at it from the other point of view. We have to have other taxes and this is probably the most innocuous form that a tax can take. I beg to move that the Bill be read a second time.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that a Bill to Impose a Tax on Admission to Entertainments be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, Members on this side of the House have decided to oppose the introduction of this Bill on the general grounds which the hon. mover has anticipated, that we are in opposition to any increase of a general form of taxation on the community at this present time.

Now, Sir, I would like to remind this House that the latest figures that were given some years ago of the amount of taxation paid per head in this country amounted, as far as Europeans were concerned, to over £40 a head per member of a family, which is, I think, more than double what is the average in Great Britain, which is the highest taxed country in Europe to-day, and any little increase is going to add considerably to the burden. It may be admitted, Sir, that an entertainment tax does not really come under that heading because, as the hon. mover has said, no one need pay unless they desire to do so and are in a position to do so. At first sight that does seem to be the case if you are only thinking of such things as going to cinemas and theatres, and even perhaps to watch a football match. But actually, as I understand this Bill, there are many institutions in this country which will be very severely hit. I believe it is generally accepted that clubs and so on for the promotion of sport and games in a Colony like this are of very great value to the general good of the country, and there are some of these with whose affairs I am personally rather closely acquainted who have during these hard times been struggling hard to keep together at all; it has been very hard to make both ends meet and some of those clubs who get up entertainments to try and keep laudable objects going—they are getting a little money in that way for objects which could not be described as even charitable or philanthropic, but which are very much for the good of the community at large, and I am afraid, if this Bill goes through—especially when I look at clause 7—such clubs

and institutions may be very hard hit and it may cause a great deal of hardship in that way. I think, though you say the general saying applies that no one need pay this tax unless they want to, it does mean that if they want to get out of paying they have to resign their membership from these clubs or else they will have to pay it.

I remember very well in 1916 or 1917 when I was on the committees of some rather big clubs in England which dealt with sport and things like that, what difficulties we had in getting to the House of Commons to get the whole thing seen to, which, of course, affected very much bigger sums than we are dealing with here. But apart from the general reason for opposing taxation, I oppose this Bill.

THE HON. CONWAY HARVEY: Your Excellency, we all know that new taxation in any shape or form is very rarely popular, but I should like to associate myself with all the reasons for our objection given by the Noble Lord who spoke last. And there are other reasons, Your Excellency. At first sight this type of taxation appears to be popular inasmuch as it is undoubtedly a luxury tax which will very largely be paid by those who have not suffered very greatly as a result of the prevailing depression, and it would be a very good thing, Sir, if the money devoted to this form of entertainment was diverted into more profitable channels, both of money and energy. Unfortunately, Sir, this is not in my humble opinion the time for increased taxation at all in Kenya. I am not satisfied that every possible avenue has been explored for very substantial reductions in Government expenditure on its present basis. In my opinion, Sir, there are at least two tests of a just tax: firstly, it should be fair in its incidence, secondly, it should be easily and inexpensively collected. I suggest, Sir, this tax is most unfair in its incidence, inasmuch as the bulk of it will be borne by Europeans who, as the previous speaker said, are very heavily taxed indeed—the average taxation per European inhabitant of Kenya is something in the region of £40 per head, whereas the African subscribes the enormous sum of Sh. 6/50 to the revenue of the Colony.

In conclusion, Sir, I sincerely trust that Government will be more influenced by the opinions expressed by hon. Members of this Council, duly accredited representative citizens, than the haphazard opinion mentioned in the hon. and learned mover's concluding remarks of an individual of whose sanity there is no evidence.

CAPT. THE HON. H. F. WARD: Your Excellency, the hon. mover in introducing this legislation said that this principle went much further than the legislation in Great Britain. If

I read the Ordinance aright he did not fully cover one point—so far as I know it, no legislation of this sort has yet been made to cover recreation. Recreation in the tropics is one of the most important things to everybody and if, as I see it, this Ordinance goes through hon. Members of this House going down afterwards to play a game of tennis will have to carry with them a receipt showing they have paid their entertainment tax. I should like to hear from the hon. mover where he proposes they should carry it—in their hands, on their racket or on some suitable portion of their clothing?

Sir, my objection to this Ordinance would be largely removed if it was a little clearer, if the intentions of Government were a little clearer in regard to expenditure and revenue in 1932. As the Report of the Select Committee on the 1932 Estimates has not yet been laid anybody who wishes to explain his objection, like I do, is under a grave disadvantage, but it is necessary to say in general terms that hon. Members on this side of the House are thoroughly dissatisfied with the proposals of Government in regard to the expenditure they intend to make in 1932 and the revenue that they anticipate to collect in 1932 as left at the present moment. In other words, Sir, if the details of a satisfactory Appropriation Ordinance were before this House—a satisfactory one—my objection to this Ordinance would be very, very largely removed, but as it stands at the moment, knowing that that position is left in a position one can only describe as completely farcical in its provision for 1932, I have no other option but to oppose the legislation.

THE HON. T. J. O'SHEA: Your Excellency, I am rather disappointed that the hon. mover did not feel it necessary to make an apology for the introduction of this Bill. I had hoped that at this late hour of the day, seeing that he has sat for some little time as Chairman of a certain Committee, he would have recognized the necessity for making an apology, and it gives us very little hope indeed that the proposals of Government for 1932 are going to be put on a satisfactory basis seeing that they are not to-day in an apologetic mood in relation to new taxation. I had hoped, Sir, that Government would by now have recognized that the present is the most inappropriate time in which to bring in new taxation proposals. I had hoped it would have been recognized that the taxable capacity of the people is less than it has been for a long period of years. It is as much as they can do to pay existing taxation without being called upon to bear more. Apparently the Government thinks rather on the lines of the gentleman who holds forth on the Custom House steps overseas that wealth is made up of the little pieces of stuff that some people carry in their pockets and others do not, and that you do not

injure the community as a whole if you take away from those who have a lot of these little pieces minute fractions that are hardly noticeable. I believe, Sir, that we shall inflict a very definite harm on this country as a whole as the result of introducing this new taxation out of all proportion to the amount of money that Government can possibly get out of it because in the first place it is not a proposal to tax merely entertainments that can be done without, it is a proposal to tax to a very large extent recreation and it is a proposal to tax about the only means left to us to-day of maintaining most of our little social institutions. Government, at the instigation of the gentleman referred to—one of the blue stockings of whom we hear from time to time in this town—is apparently obsessed by certain conditions prevailing in Nairobi and is apparently under the impression that because a certain number of salaried people in Nairobi are able to get a certain amount of entertainment in excess of what is really necessary for good health that the country as a whole is as fortunately circumstanced. May I assure you, Sir, that such is certainly not the case, that up-country people are struggling under difficulties enough to drive most people mad and difficulties that are driving some of them mad. The amount of entertainment that they get is so very meagre that I regard it as a most despicable proposal on the part of Government now to endeavour to tax it. I may say, Sir, that the greater part of that entertainment is the result of efforts to keep going the social institutions without which we could not possibly live in this country. There are no dances run for profit up there; there are no sports run for profit; I cannot think of any entertainment in my district that is run for profit except perhaps the cinema which runs two nights a week with an average of fifteen people present per night. I would gladly make Government a present of the money it can collect through this entertainment tax in my district. It is welcome to it. And to think that Government has such a poor understanding of the conditions under which we live as to introduce legislation like this is proof enough to me that Government does not know even to-day what is the position of this country and what are the circumstances of the people who are living in it.

What do you expect to get out of it outside Nairobi? If you analyse the entertainments of the European community at any rate there are practically none other than those necessary for their good health—playing honest recreation. You are going to tax our football matches, our little tennis tournaments, our little gymkhana events, the little whist drives we get up to try and keep the churches going. What else? There is nothing for you to get.

I should like to ask, seeing that the question of the proportion that Europeans can pay under this tax has been raised, is it really the intention of Government that this tax will not apply to natives and Goans? If it is the intention of Government that it will not apply to natives and Goans, then I ask what logical argument can be adduced in support of this Bill? I take it, as a matter of course that it will apply to natives and Goans, and to Indians and Goans, as well as to Europeans and Goans. So far as I know they are the only possible source you can get revenue from outside the town of Nairobi.

There is another aspect of this Bill, Sir—it is said to be voluntary taxation. I say that to the great majority of people who will be affected by it it is not voluntary taxation. The entertainments from which we expect to get this tax, to which they will treat themselves to a very much less extent in future I should imagine, are necessary, absolutely necessary, to the life of the people, and if the public were to show resentment against this tax by voluntarily depriving themselves of even what little recreation and entertainment is left to them, then I say that you would be inflicting by this Bill a very severe hardship upon the country. Enterprise has been shown by people in building up institutions for reasonable entertainment. They would suffer to a very considerable extent and in that way Government would immediately lose much larger sources of revenue than they can possibly tap by this Bill unless, as I say, it is definitely intended to apply it to natives and Goans.

THE HON. F. A. BRIMSTER: Your Excellency, it would appear to me, from the hon. the Acting Colonial Secretary's opening remarks, that he would probably agree with me in suggesting a slight alteration in the title to this Bill. I would suggest that it be called "A Bill to Impose an Additional Tax on Entertainments" because it cannot be suggested that entertainments do not pay a tax to-day. When a cinema is built does it not pay rates and taxes; are there not very heavy liabilities on practically everything which goes to the entertainment of the people; are the expenses not tremendously heavy; is not the consumption of spirits and other things which happen to be consumed—are they not paying a tax? Everything in connexion with entertainments is taxed, I think, more fully than practically anything else—and I am speaking only of commercial entertainments.

The hon. mover made a great point of the suggestion that this was good taxation because people did not notice it; that they only paid it when they were enjoying themselves. Well, Sir, I do not think that that is quite fair. It may be necessary for a man to take certain recreation and it is not necessarily

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pleasant to him to feel that he has to curtail his entertainment because of some vicious imposition made which would irritate him in all directions. Anything which will tend to tax a most enterprising body of men to-day—because it will have to come back on the promoters—anything that will go back on them, Sir, I wish strongly to oppose.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, while admitting that this tax might be the least vicious that any Government could attempt to impose on the Colony, I am going to oppose it definitely for the reason that I do not think the Government has explored even now all the avenues that it might have done with a view to reducing its expenditure. For these reasons I shall vote against this tax.

COLONEL THE HON. W. K. TUCKER: Very, very briefly, Sir, I desire to associate myself with the attitude taken up on this side of the House in so far as the present tax is concerned. I do not necessarily object to the principle of the Bill; I believe it has got many debating points on both sides, but I do feel, Sir, that the Government is putting the cart before the horse. It is a well founded system throughout the world, and particularly in the House of Commons, upon which the procedure of this House is founded, that Government should introduce a Budget, that they shall say what their expenditure will be and how they expect to meet it, and that on that occasion—which is only once a year—they bring forward proposals for additional taxation.

I am, like the hon. Member for Nairobi North, under the disability of being unable to refer to the Select Committee Report, which has not yet been laid. Whether the Entertainments Tax is within that or not does not matter, but I do respectfully suggest, Sir, that this tax, like any other proposals the Government may have for balancing the Budget, should receive the consideration of this House as part and parcel of the consideration of the 1932 Estimates and should not precede it. That is my main reason, Sir, for opposing the Bill at the present juncture.

CAPT. THE HON. J. L. COTTER: I am going to oppose this tax, Your Excellency, and I do so in rather a peculiar manner, because I originally suggested it in the Select Committee myself. I did so because the hon. the Acting Director of Education asked us to find some method of financing compulsory education here. I happened to suggest this but I never dreamed for a moment that it would be seized upon by the hon. Treasurer as a special tax for general expenditure. We were asked to find the necessary revenue for the compulsory education of Europeans, but to have this kind of taxation suggested and then to take it into general revenue is I

think a most regrettable thing. If we are going to tax, as is proposed now, all these dances and various entertainments throughout the Colony I am afraid the cost of collection will be quite a big proportion of the total amount of revenue thus obtained.

**HIS EXCELLENCY:** If no other hon. Member wishes to speak I will call upon the Colonial Secretary to reply.

**THE HON. THE ACTING COLONIAL SECRETARY:** I cannot flatter myself, Sir, with the reception this measure has had. It has not been exactly hearty. Particularly in view of what has been said by the last two speakers, I not only am in no sense apologetic, but I do think there are slight signs of a silver lining even to the gloomy cloud which has appeared on the horizon in front of me. But there are one or two points, Sir, which I will make here and now, and then, Sir, I propose to outline a suggestion which I think will meet the views expressed by hon. Members. There was one point, Your Excellency, in the debate in that from the outset speaker after speaker voiced the opinion that recreation, in the sense of taking part in games, was liable to this tax, and the hon. Member for Nairobi North asked where exactly a man was to put his tax receipt when he went to play a game of tennis. Several hon. Members have suggested that the same point will arise under this legislation, but that is an entirely new idea to me. It never was the intention, and I can give hon. Members the assurance that that never was the intention of Government, and at the very earliest moment I shall very carefully go through the provisions of the legislation again to see how far there is justification for the view expressed; and if there is any justification at all, Sir, then I shall ask your leave to more amendments at a later stage in Committee.

**COLONEL THE HON. W. K. TUCKER:** On a point of explanation, Your Excellency, if the hon. Member is referring to anything I said, I had no such idea in my mind.

**THE HON. THE ACTING COLONIAL SECRETARY:** I was referring to the remarks of the hon. Member for Nairobi North and of the Noble Lord, the hon. Member for Ukamba.

If people want to play a game they can play it without taxation, but if on the other hand, they wish to pay for admission to watch other people playing, then they come within the ambit of this Bill. That is the distinction and the difference.

I am not going to be drawn into an advance discussion of any of the Budget proposals—an opportunity will occur within a very short time, I hope, to discuss these at length.

This is neither the time nor the place for it, but there is substance, Sir, in what has been said by the hon. Member for Nairobi North, I think, and I propose, Sir, with the leave of the House, to defer the Committee stage of this Bill until the Budget proposals are finally and publicly known, when a further discussion of this Bill can then be taken. I had anticipated, Sir, that the Bill would be referred to a Select Committee and it was in anticipation of that reference that the Bill was put down for second reading to-day. I understand, Sir, that it is not the wish of hon. Members opposite that any such Select Committee should sit on this Bill and therefore, Sir, I would ask leave to defer the further stages of the Bill until a later stage of this session when other proposals are known and the inter-relation between this and those proposals can be more appreciated.

In conclusion, Sir, I should like to allay the fear expressed by the hon. Member for Kenya. Government got it a long way ahead of him. The suggestion made by the hon. Member in Select Committee occurred, I think, in the third week of September. It will be a comfort to the hon. Member to know that I drafted a Bill to Government on the 14th July.

**HIS EXCELLENCY:** The question is that a Bill to Impose a Tax on Admission to Entertainments be read a second time.

**Lt.-COL. THE HON. LORD FRANCIS SCOTT:** On a point of order, Your Excellency, would it not be simpler to report progress on this Bill because my vote might be different later from what it would have to be to-day?

**HIS EXCELLENCY:** We will report progress on the Bill.

*The Council adjourned for the usual interval.*

*On resuming.*

#### THE CUSTOMS MANAGEMENT (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Customs Management Ordinance, 1926.

This Bill, Sir, is the outcome of negotiations initiated by the Government of this Colony which have been proceeding over a very considerable time with the object of applying to as large an area of Africa as possible the tripartite system, which is in operation in Europe in regard to motor vehicles making a temporary stay in a country. Similar legislation, I may say, Sir, has been or is being enacted in Uganda, Tanganyika Territory, Zanzibar, Nyasaland, in Northern and Southern Rhodesia and in South Africa, and there is no reason why the system should not be extended in due course to the

whole of Africa. As hon. Members, Sir, are probably aware, section 159 of the Principal Ordinance allows of the deposit of the duty payable on cars passing through the country, such deposit being refunded if the car is re-exported within six months of the date of importation. This system, Sir, although it does allow of the ultimate free passage of motor vehicles, is cumbersome and irritating because it involves the carrying of comparatively large sums of money to be deposited at each frontier station of entry and the return of the deposit at each frontier station of exit. Differences in the currencies of various countries are, Sir, of course—and particularly at present—an extra difficulty.

Now, Sir, the so-called triptyque system that is now proposed works along different lines and eliminates the difficulties experienced under the old system, that is, the present one. Security for the duty is ordinarily retained in the form of a general bond through an approved automobile association. Such an association, Sir, after being approved is empowered to issue to motorists documents called triptyques when only one country is being visited and *carnets de passage* when more than one territory is involved. These documents, Sir, are warrants authorizing the free admission of a motor vehicle, with or without the necessary camp equipment, and all the motorist then has to do, so far as Customs formalities are concerned, is to produce those documents at each station of entry and exit where, after examination and verification of the particulars, they are certified by the proper officers and the free passage of the motor vehicle is allowed. By applying to the various Governments concerned, Sir, to become an approved association, a body such as the Royal East African Automobile Association can then become empowered to issue triptyques or *carnets de passage* which will hold good in every country between Kenya and the Cape, thereby enormously facilitating long distance motor tourist traffic in Africa.

As hon. Members will see, Sir, this Bill enables regulations to be made by the Governor in Council for the establishment of this triptyque system in respect of motor vehicles used for touring in or visiting East Africa for a limited period. I may say, Sir, that the same provision is made in sub-section 2 of section 13 of the English Finance Act of 1915 (No. 2), as re-enacted in sub-section 2 of section 3 of the Finance Act of 1925.

Hon. Members will observe that the definition of "motor vehicle" in the Bill includes a motor car, motor lorry, motor bicycle or motor tricycle, with or without sidecar or trailer attachment, together with equipment for sleeping and camping accommodation, so that the definition, Sir, is very wide and will doubtless—and we hope it will—encourage travellers

and hunters to come and spend money in the country when they realize that such vehicles will, not be liable to import duty if they are brought into the Colony for a limited period.

Triptyque regulations governing the temporary import of motor vehicles into England were made in 1925 and it is intended that regulations on the same lines will be made by the Governor in Council governing the temporary importation of motor vehicles into this Colony.

As I have already said, Sir, it is expected that in a very short time similar legislation will obtain throughout East Africa. I commend the Bill to the favourable consideration of hon. Members and move the second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Customs Management (Amendment) Bill be read a second time.

THE HON. F. A. BEMISTER: There is only one point I want to ask—will this exempt cars from registration in the Colony?

THE HON. THE ACTING ATTORNEY GENERAL: No.

HIS EXCELLENCY: The question is that the Customs Management (Amendment) Bill be read a second time.

The question was put and carried.

#### THE EXPLOSIVES (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Amend the Explosives Ordinance, 1929.

Sir, this Bill amends the Explosives Ordinance, 1929, in two respects. First of all, Sir, section 8 of the Ordinance provides that the fee payable for a licence to sell, deal in or dispose of any explosive is Sh. 50 and, Sir, by rule 92 of the recently passed Explosive Rules the licence has to be renewed annually, but when passing these rules it was found that owing to an omission in the Principal Ordinance no fee was prescribed in the Ordinance for a renewal of a licence to deal in explosives. Clause 2 remedies this defect and provides for a renewal fee of Sh. 50.

The second respect in which the Principal Ordinance is proposed to be amended is by providing that when any licence or permit granted under the provisions of the Principal Ordinance is lost or accidentally destroyed, the inspector or other person authorized to grant such licence or permit may issue

a duplicate to the holder of such licence or permit on payment of a fee of Sh. 2. This provision was omitted from the Principal Ordinance and its omission has been the cause of inconvenience from time to time. I may say, Sir, that this defect is remedied by clause 3 of the Bill.

I beg to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Explosives (Amendment) Bill be read a second time.

The question was put and carried.

#### THE GAME BIRDS PROTECTION (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Game Birds Protection Ordinance, 1926.

This Bill, Sir, is a very short one and its object is easily explained. The object of the Bill is to give assistance to owners of land who are desirous of protecting game birds on their land. This provision, Sir, is already embodied in section 16 of the Trout Protection Ordinance and in section 31 of the Game Ordinance, and I hope hon. Members will agree that it is advisable that it should also be embodied in the Game Birds Protection Ordinance. The effect of this amendment will be that, whereas at the present time an owner of land merely has as remedy a civil action if game birds are shot without consent on his land, the offender will now make himself liable to the fine and penalty provided by section 18 of the Game Birds Protection Ordinance, namely, a fine not exceeding £25 or imprisonment not exceeding two months or to both such fine and imprisonment.

I beg to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Game Birds Protection (Amendment) Bill be read a second time.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, there is only one small point. It has been suggested that possibly the hon. mover might consent to have the word "written" in section 3.

**HIS EXCELLENCY:** That should be done in the Committee Stage.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** I only wanted to make the suggestion. The amendment is not proposed just now.

**HIS EXCELLENCY:** Will you bring that up when the Bill is in Committee?

**THE HON. THE ACTING ATTORNEY GENERAL:** As far as I am concerned, Sir, I have no objection to that at all and it will be moved in the Committee Stage.

**HIS EXCELLENCY:** The question is that the Game Birds Protection (Amendment) Bill be read a second time.

The question was put and carried.

#### THE KING'S AFRICAN RIFLES RESERVE OF OFFICERS (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the King's African Rifles Reserve of Officers Ordinance, 1927.

Sir, the object of this Bill is to make it possible to grant commissions in the King's African Rifles Reserve to persons other than those who have previously served in His Majesty's Forces. The object of doing this, Sir, is to enable local residents to be granted commissions in the Supply and Transport Corps and to render the holders of such commissions liable to military law. At the present time, as the Ordinance now stands, the Reserve must consist of British subjects who are retired officers or ex-officers of the military forces of the Crown and are permanently resident in East Africa. If this Bill passes, Sir, the Reserve will consist of British subjects who are permanently resident in East Africa. The Inspector General of the King's African Rifles, I may say, Sir, strongly recommends this change, as do also the Officers Commanding the Northern and Southern Brigades. The Uganda Protectorate and Tanganyika Territory, I may add, Sir, are also making this amendment in their law.

I beg to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the King's African Rifles Reserve of Officers (Amendment) Bill be read a second time.

**LT.-COL. THE HON. C. G. DURHAM:** I do not know whether I am in order, Sir, but I should like to ask whether the wording of the Objects and Reasons could not be altered?



I look forward to the day when appointments to the King's African Rifles will be made from the youth of the country and therefore I should like to ask for the deletion of the words "in the Supply and Transport Corps". I would ask for the deletion of those words, Sir.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I may say that the Objects and Reasons are no part of the Bill. They only appear here as an explanatory statement for the convenience of hon. Members. The Bill, when published, contains no Objects and Reasons at all. The Bill that people will see and in respect of which they will apply for commissions will not contain any of these Objects and Reasons at all.

HIS EXCELLENCY: It is the intention to allow residents to enter the Reserve as a whole?

THE HON. THE ACTING COLONIAL SECRETARY: Yes, Sir.

HIS EXCELLENCY: The question is that the King's African Rifles Reserve of Officers (Amendment) Bill be read a second time.

The question was put and carried.

#### THE LIQUOR (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Amend the Liquor Ordinance.

Sir, this Bill, as I say, is an amendment of the Liquor Ordinance and is being introduced at the request of the Municipality of Nairobi. It has been approved both by the Council and, Sir, by the Nairobi Chamber of Commerce. If I may crave the indulgence of hon. Members just to refer to the provisions of the various clauses in order, I would do so.

Clause 2 of the Bill repeals and replaces section 11 of the Principal Ordinance and provides that one member of the licensing court for an area including a municipal area shall be a member of the municipal council or board. The Municipal Council of Nairobi, Sir, are desirous of being represented in the licensing court. It is true that one of their members is a member of the licensing court at present but there is no guarantee that he will, under the present law, be there permanently. The Council consider, and I think, Sir, that hon. Members will no doubt agree with them, that inasmuch as they are so closely associated with the administration of the government of this town it is not unreasonable that they should have direct and permanent representation on the licensing

court. With this view Government agrees and clause 2, Sir, carries out the views of the municipality. The new section 11, Sir, also abolishes the expression "officials and non-officials". There is also added clause 3 of the Bill which abolishes the words from section 13 of the Principal Ordinance. That is rather an archaic form of expression which is not now apposite, I think.

Clause 4 of the Bill amends section 24 of the Principal Ordinance to provide for application for licences to be made at any time on payment of a penalty not exceeding Sh. 150 instead of, as the law stands at present, providing a penalty of Sh. 150 as an absolute arbitrary penalty and allowing only ten days after the due date for application. This clause, Sir, therefore achieves two amendments: one that where application for a licence has not been made in proper time owing to inadvertence such late application may be considered on payment of a penalty not exceeding Sh. 150 instead of an arbitrary payment of that sum, and the other that there is now no time limit within which such late application must be made. As regards the first amendment, cases have occurred, Sir, more than once, when the licensing board under the law as it exists has fined a person Sh. 150 because it had no option, whereas if it had had an option it would have imposed a nominal fine merely.

The second amendment, the one eliminating the time within which a late application may be received, has been introduced for the same reason.

Clause 5, Sir, amends section 25 (2) of the Principal Ordinance to provide for notice of applications to be given to the Town Clerk of a municipality—applications for licences. The same reasons, Sir, apply for this amendment as for the amendment to section 11 of the Principal Ordinance, namely, that the municipality, which takes so large a share in the government of the town, shall know exactly what is going on in the town.

Clause 6 of the Bill, Sir, amends the Principal Ordinance so as to place on the applicant the onus of proving the necessity for licensed premises in the particular locality in which the premises in respect of which application is made are situated. It is considered, Sir, that the time has now arrived when every applicant for a licence for intoxicating liquor should prove to the satisfaction of the Court that the necessity exists for the granting of such licence. This, Sir, is the law at the present time in England. Every applicant for a new licence must prove to the satisfaction of the licensing justices that there is necessity for provision being made in a particular locality for the sale of intoxicating liquor. I am

informed that there have been instances where licences have been granted in localities in which there was no necessity whatsoever for the provision of further facilities for the sale of intoxicating liquor and where the existence of licensed premises has caused considerable misgivings on the part of owners of property in the vicinity.

Those are the new clauses, Sir. I beg to move that the Bill be read a second time.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second the motion.

**HIS EXCELLENCY:** The question is that a Bill to Amend the Liquor Ordinance be read a second time.

**THE HON. F. A. BRMISTER:** Are you not introducing a very difficult principle in allowing members of a municipal board such as Nairobi to be both the judges and the plaintiffs in the case of a licence? The fact is, Sir, that the Municipality of Nairobi is definitely interested in the sale of liquor in their native brewery and their native public house, and therefore it would be fairly obvious, don't you think, that if a member of the Board, sitting on the Board, were to get an application from someone else asking for a licence in the near vicinity, he would, obviously acting for the Board and on behalf of that Board, oppose that licence? I would like citizens of Nairobi and Mombasa to be on the Board but not as representing the definite owner of an interest; otherwise, directly you import this, you will get the Licensed Victuallers Association claiming seats as well.

**THE HON. THE ACTING COLONIAL SECRETARY:** May I say just a word, Sir, on the point taken up by the hon. Member for Mombasa. I merely desire to remind him that the fear he has expressed is, I think, completely illusory. The native brewery does exist in Mombasa, but it can brew only for natives. It is an offence for anyone else to consume any of the production of that brewery. Equally, Sir, the licences with which we are dealing are licences granted to persons who commit an offence if they sell to a native. The two interests are completely distinct and completely different and I think the fear is entirely groundless.

**HIS EXCELLENCY:** The question is that the Bill to Amend the Liquor Ordinance be read a second time.

The question was put and carried.

**THE NATIVE LIQUOR (AMENDMENT) ORDINANCE.**

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Native Liquor Ordinance, 1930.

Your Excellency, it has been represented to Government that sub-section (2) of section 15 of the Native Liquor Ordinance places upon an accused person an onus of proof that is unfair, inasmuch as it provides that the averment that a person possessed or used sprouted grain, liquid yeast or any other process for the manufacture of native intoxicating liquor shall be sufficient, without proof of such fact, unless the accused prove the contrary, and therefore, Sir, clause 2 of this Bill repeals and replaces sub-section (2), section 15, to make it quite clear that it is only after it has been proved that materials or apparatus suitable for the manufacture of native liquor are found in the possession of an accused person that the burden of proving innocent possession falls upon him. That, Sir, is only fair, as I think hon. Members will agree.

In Clause 4 of the Bill opportunity has been taken to remedy an omission in the Principal Ordinance. Section 25 of the Principal Ordinance, Sir, gives a power of search of unlicensed premises for native liquor which is suspected to be therein, and further, gives power, if native liquor is found therein, to take possession of all liquor, liquid yeast, sprouted grain, or other like fermenting agency, and any implement or utensils for brewing found therein. The section, Sir, goes on to provide that if it is proved to the satisfaction of the magistrate that such liquor was being sold or kept in contravention of the Ordinance all such liquor shall be confiscated. Now, Sir, it is highly desirable that, not only shall the liquor found on the premises be confiscated, but also that all liquid yeast, sprouted grain or other like fermenting agency, and any implements or utensils used for brewing should also be confiscated, and Clause 3 of the Bill amends section 25 of the Ordinance to provide that this shall be done. I beg, Sir, to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second the motion.

**HIS EXCELLENCY:** The question is that a Bill to Amend the Native Liquor Ordinance, 1930, be read a second time.

The question was put and carried.

**THE CORPORATIONS (PROBATE AND ADMINISTRATION) (AMENDMENT) BILL.**

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move that a Bill to Amend the Corporations (Probate and Administration) Ordinance, 1931, be read a second time.

This Bill has been prepared, Sir, at the desire of the Secretary of State to make it quite clear that all trust corporations covered by the provisions of the Principal Ordinance should possess the qualification of £25,000 capital.

The first four lines of the definition of "Trust Corporation" in the Principal Ordinance read as follows:—

"Trust Corporation" means any incorporated banking or insurance or guarantee or trust company or any body corporate which has a subscribed capital of not less than twenty-five thousand pounds and which is for the time being empowered . . . ."

It was intended that the words "which has a subscribed capital of not less than twenty-five thousand pounds" should apply to all the foregoing companies as well as to any body corporate, but the Secretary of State has pointed out, quite truly, that the expression "which has a subscribed capital of not less than twenty-five thousand pounds" might be interpreted to apply only to the phrase "or any body corporate", the phrase which immediately precedes that expression. Clause 2 of the Bill amends the definition of "Trust corporation" to make it quite clear that all trust corporations covered by the provisions of the Principal Ordinance must possess the qualification of £25,000 capital. That was intended in the first instance in the Bill and it is only because it has been pointed out that there is a certain amount of uncertainty about it that this amendment is being made.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that a Bill to Amend the Corporations (Probate and Administration) Ordinance, 1931, be read a second time.

CAPT. THE HON. H. F. WARD: Your Excellency, on behalf of those I represent I desire to record very sincere and grateful thanks for the manner in which the objection I originally raised on this Bill has been so satisfactorily and fully met.

The question was put and carried.

#### THE PENAL CODE (AMENDMENT) BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Amend the Penal Code.

As the law at present stands there are, by virtue of section 28 of the Penal Code, two scales of imprisonment in default of payment of a fine, one scale for non-natives and one for natives, the scale of imprisonment for natives being higher than that for non-natives. Government considers, Sir, that this differentiation is not justifiable and the Secretary of State agrees; and Government has decided that the differentiation shall be abolished.

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Clause 2 of this Bill therefore, Sir, repeals and replaces section 28 of the Penal Code so as to omit the scale for natives and make one scale, a scale for natives and non-natives. The scale, which will now apply to everybody of whatever race, is practically the same as the term of detention to which a native may be sentenced, and in default of payment of a fine, for offences under the Detention Camps (Amendment) Ordinance, 1926.

I beg to move.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that a Bill to Amend the Penal Code be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I do not quite understand the hon. mover's explanation because on page 2 it says: "Provided always that where such sum is adjudged to be paid as aforesaid by a native the scale shall be as follows": so there are two different scales.

THE HON. THE ACTING COLONIAL SECRETARY: There is one scale only, Sir. The differentiation has entirely gone. Not only is the scale the same for all persons under the Penal Code, but it also agrees with the existing scale under the Detention Camps Ordinance.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I was referring, Your Excellency, to what appears to be two different scales in this Bill. At the top of page 2 it says . . .

THE HON. THE ACTING COLONIAL SECRETARY: I beg your pardon, Sir, I am afraid I did not quite understand the Noble Lord. The words on page 2 are a continuation of what occurs on the left hand side of the page—the sub-section of the Principal Ordinance which it is proposed to replace.

HIS EXCELLENCY: It certainly is difficult to follow that. There ought to have been another page. The Objects and Reasons ought to have been on the other side.

The question is that the Bill to Amend the Penal Code be read a second time.

The question was put and carried.

#### THE HALL PENSION BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Legalize the Payment of a Gratuity and a Reduced Pension to George Norman Hall.

The reason for the introduction of this Bill is that Mr. George Norman Hall, who served in this Colony for six years and two months and who left in November, 1919, by an oversight was not invited to exercise his option for a gratuity and a reduced pension at the time of the introduction of the European Officers' Pension Ordinance in 1937. This omission, Sir, has recently come to light and it is desired in the circumstances to introduce this Bill to enable Mr. Hall to avail himself of this option, which it is understood he desires to do. So far as the expenditure of public monies is concerned, owing to lack of sufficient data it is not possible to calculate accurately the financial effect of this Bill, but it is estimated that the gratuity to Mr. Hall from Kenya funds on his retirement will be approximately £310, the resultant pension amounting to £93 per annum.

I beg to move the second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Hall Pension Bill be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I expect I am very stupid, but I do not quite understand the explanation how this really comes about. This gentleman apparently only served six years here. It seems a very high amount for him to be entitled to, or for him to be entitled to a pension at all for under ten years' service. The option is not explained which he is now given the opportunity of exercising; is he drawing a pension now which he wants to transfer partly to gratuity and partly to pension, or what are the actual circumstances? It seems very curious we should have a Bill brought up to deal with a gentleman who left the Service twelve years ago.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, this gentleman was transferred from the Service of this Colony to West Africa and is at present in the Nigerian Service. The option which he would have been entitled to exercise had notice been given to him that we had passed the new legislation—his option to take a pension reduced by 25 per cent and a gratuity equal to ten times that reduction. In the case of Mr. Hall, Sir, the pension so far as we are able at the moment to calculate it—hon. Members will appreciate that until his service, his aggregate service in the Colonial Empire is complete—it is impossible accurately to compute what is due to him, but he would in any event be due for a pension of £123 in respect of his seventy-four months' service, and the suggestion in this Bill, Sir, is that that

pension should be reduced from £123 a year to £92 (that is, a reduction of one-quarter) and the £31 of that reduction should be capitalized in the form of a gratuity amounting to £310. We should in any case, if this Bill were not passed, be contingently liable for a pension of £123, and this is merely giving an option. Hon. Members will remember that we passed a similar Bill a short time ago in the case of Mr. Bowring, Treasurer of Gibraltar.

The other point which the Noble Lord made was that there is no pension liability in respect of only six years' service. No person has a right to a pension on less than ten years' service, but that is ten years' aggregate service, Sir, and each Colony which is a part of the uniform pension legislation which so largely prevails throughout the Colonial Empire now is liable for proportionate pension provided an officer has served twelve months in a Colony. The sole reason for the introduction of this Bill is that Mr. Hall did not make application when he should have made it owing to not being informed; that is why this Bill has to be brought in.

HIS EXCELLENCY: Exactly.

THE HON. T. J. O'SHEA: In the light of that explanation I think the House and the country might be informed as to what was the salary and what was the position of a man who, after seventy-four months' service, was entitled to a pension of £123 per annum. Seeing that after twelve years he is still in the Colonial Service he must have been then a comparatively junior man. Was he in such a very high position that, as a junior, his service entitled him after six years and two months to a pension of £123 per annum? What was his substantive pay when he was in the Colony?

MAJOR THE HON. H. H. BRASSBY-EDWARDS (Chief Veterinary Officer): Mr. Norman Hall was a Veterinary Officer drawing £600 a year.

LT.-COL. THE HON. C. G. DURHAM: If he was only drawing £600 a year and after working for six years in this country, how comes it he draws £123 a year for pension after six years' service?

HIS EXCELLENCY: Does any other hon. Member wish to speak to the motion?

THE HON. THE ACTING ATTORNEY GENERAL: The rate of pension to be drawn by Mr. Hall is laid down in the Ordinance and in the statutory rules which apply. As I have said, had it not been omitted to let him know that he could exercise this option and he had exercised it in due course, he would

have had the same rates as we are giving him now. You might say he has always had this right since the passing of the European Officers' Pension Ordinance, but he was not notified of this right and this Bill merely gives legal confirmation to a right which he has always possessed.

**HIS EXCELLENCY:** The question is that the Hall Pension Bill be read a second time.

The question was put and carried.

#### THE NATIVE AUTHORITY (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Native Authority Ordinance.

Your Excellency, under section 8 (c) of the Native Authority Ordinance a headman is empowered to issue orders to be obeyed by the natives residing within the local limits of his jurisdiction for the purpose of prohibiting or restricting the cultivation of poisonous or noxious plants, and the manufacture of noxious drugs or poisons. The manufacture of such poisons is in practice very, very hard to detect or control. The Game Warden has reported that in certain areas game is destroyed by natives by use of poison, the possession of which is at present no offence. The object of this Bill is to make it possible, where circumstances render this course desirable, to make possession, sale or transfer of such poisons an offence. Clause 2 of the Bill, Sir, gives effect to this object.

Now, Sir, hon. Members will have seen that I have given notice that I shall move an amendment to this Bill in the Committee Stage. That amendment, Sir, I may say is bound up with the repeal of the Roads in Native Reserves Ordinance which is the next Bill on the Order Paper, and the facts, Sir, are as follows: The Roads in Native Reserves Ordinance provides for two matters, broadly speaking, that is, for the calling out of labour for work on roads, and for the marking and maintaining of boundaries in Native Reserves. To take the second matter first, that is the marking and maintaining of boundaries in Native Reserves, it is intended by the amendment which I shall propose in the Committee Stage to insert in the Native Authority Ordinance that provision, that is, the provision which obtains at present in the Roads in Native Reserves Ordinance, as regards the marking and maintaining of boundaries in native reserves. But, Sir, one of the reasons for doing this has been, Sir, that in the Roads in Native Reserves Ordinance as it now stands the maximum penalty for disobedience to an order ordering

the marking or maintenance of boundaries is £75 and Government considers that this penalty is too high and they therefore propose to take this provision out of the Roads in Native Reserves Ordinance and put it into the Native Authority Ordinance, where the penalty will be a fine not exceeding £7/10/- or imprisonment for a period not exceeding two months. That, Sir, Government considers is a fairer penalty than the penalty at present of £75.

With regard to the remainder of the Roads in Native Reserves Ordinance, that is, the power to order labour to work on roads, that provision is already contained in the Native Authority Ordinance. There is power in that Ordinance already to call out people to work on roads in native reserves where it is in the interests of the whole of the community. This being so, Sir, Government proposes to repeal the Roads in Native Reserves Ordinance, one provision of the Ordinance being inserted in the Native Authority Ordinance by the amendment which I shall propose in the Committee Stage, and the other being already in the Native Authority Ordinance.

I beg, Sir, to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Native Authority (Amendment) Bill be read a second time.

**THE REV. CANON THE HON. H. LEAKEY:** Your Excellency, I welcome very much this change from the £75 fine to the £7/10/- fine as I think Sh. 1,500 for natives is perfectly out of the question. I do not consider that the other matter of the boundaries is at all a hardship to the natives. They will, of course, be prepared to work on their proper boundaries to delimit their reserves.

**HIS EXCELLENCY:** The question is that the Native Authority (Amendment) Bill be read a second time.

The question was put and carried.

#### SUSPENSION OF STANDING ORDERS.

##### THE ROADS IN NATIVE RESERVES (REPEAL) BILL.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, when Council met yesterday the hon. Member for Plateau South indicated what I think is a proper objection to the form which the alleged objects and reasons take. No. 64 of the Standing Rules and Orders imposes on the Clerk of the Council an obligation to supply with the Bill when circulated for information a statement of the Objects of and

Reasons for the legislation. Though the note appended to this Bill bears the caption "Objects and Reasons", it confines its attention very strictly to the Objects. I would like to say, Sir, that the responsibility is not that of the Clerk of the Council; the responsibility is entirely mine, and my reason for so doing it, Sir, was that it appeared to me that inasmuch as the Reasons for the legislation are so closely bound up with the acceptance by this Council of the measure that has just been read a second time, it was more politic not to appear to prejudge this issue and to await the reception given to the previous Bill in this Council. Therefore, we were silent as to the Reasons. I am not putting that forward as an explanation, Sir; I am merely indicating what was operating in my mind at that time. I do not wish anything I have said to be construed as an expression of opinion that I or any other Official Member charged with the preparation of Bills is entitled to ride rough-shod over Standing Rules and Orders. I merely put it forward as a personal explanation. Sir, and I would ask the indulgence of the House to dispense with the strict interpretation of Standing Rule and Order No. 64 and to allow this Bill to proceed.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, on behalf of hon. Members on this side of the House, we welcome the statement of the hon. the Attorney General (the Acting Colonial Secretary) and accept it. I should like to say that our objection to not having the Reasons in was not merely an academic one because, owing to the absence of the Reasons we had not got a clear impression of what the object of the Bill was.

THE HON. T. J. O'SHEA: Your Excellency, it has just occurred to me, arising out of that explanation, that possibly you would not be quite in order in passing the Bill by the leave of the House without formally moving that Standing Order No. 64 be suspended for the purpose of passing the Bill.

THE HON. THE ACTING COLONIAL SECRETARY: If that is the view of the hon. Member opposite, Sir, I would ask your leave formally to move the suspension of Standing Order No. 64 to enable this Bill to be taken through its remaining stages to-day.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that Standing Order No. 64 be suspended to enable the Roads in Native Reserves (Repeal) Bill to be taken through its remaining stages to-day.

The question was put and carried.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the second reading of a Bill to Repeal the Roads in Native Reserves Ordinance.

As I said on the second reading of the last Bill, Government has decided to repeal this Ordinance as the provisions of the Ordinance relating to the marking of boundaries are going to be included in the Native Authority (Amendment) Bill and the other provision with regard to the calling out of natives to work on roads in the Native Reserves already exists in the Native Authority Ordinance.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

The question was put and carried.

THE KENYA ROYAL NAVAL VOLUNTEER RESERVE BILL.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that a Bill to Provide for the Establishment of the Kenya Royal Naval Volunteer Reserve be read a second time.

This Bill, Sir, provides for the establishment of a Kenya Royal Naval Volunteer Reserve. The Colonial Naval Defence Acts were amended this year by the Colonial Naval Defence Act, 1931, which empowers the legislature of any Colony, with the approval of His Majesty the King, to make provision, at the expense of the Colony, for maintaining and using war vessels. Such vessels and the personnel attached thereto may be placed at the King's disposal for general service with the Royal Navy. His Majesty's approval has been obtained for the passing of this Bill, which is accordingly placed before this Council for its approval.

Clause 2 empowers the Governor to raise a body of officers and men to be entered on the terms of being liable—

- (a) to serve as ordered in any vessel provided and maintained for the purposes of this Bill;
- (b) to perform such duties as the Governor may by regulation prescribe;
- (c) for general service in the Royal Navy in emergency.

Clause 3, Sir, provides that such officers and men shall form part of the Royal Naval Volunteer Reserve constituted under the Naval Forces Act, 1903, under the designation of the Kenya Royal Naval Volunteer Reserve, and also provides that the Governor may offer to place the whole or any number of such officers and men at His Majesty's disposal for general service in the Royal Navy.

I would like to refer also to clause 4, which provides that the Reserve shall be maintained at the expense of the Colony out of moneys provided by the Legislative Council.

Clause 5 lays down that every member of the Reserve shall be entered for a term of three years and that at the expiration of every third year of his period of service as a volunteer he shall be entitled to claim his discharge.

Clause 6, Sir, deals with the instruction to be given to members of the Reserve.

Clause 8 stipulates that every member of the Reserve shall be a British subject of European race or origin, but Clause 9 allows the Governor to enlist for service non-Europeans on such terms as he may think fit.

Clause 12 provides that enactments and regulations in force in the Royal Navy shall apply to members of the Reserve and that the Government and organization of the Reserve shall be prescribed by regulations made by the Governor.

Clause 13 specifies that members of the Reserve shall be liable to be employed on active service against an enemy anywhere, within or without the Colony, or for the suppression of disorder in the Colony, and Clause 14 gives the Governor power to deal with the movements and examination of vessels in time of war or strained relations.

Clause 16, 17, 18 and 19 make the doing to various acts by members of the Reserve offences, and clause 20 imposes penalties for those offences.

Clause 21 empowers the Governor to make regulations for the training and inspection of the Reserve, appointments to commissioned or non-commissioned rank, and generally for the better carrying out of the provisions of the Bill.

I may say that, as far as the new implications of this Bill are concerned, it is not proposed to proceed with the establishment of the Reserve until the Colony's financial position has clarified, but it is anticipated that when the Reserve is established the recurrent annual cost to this Colony will be about £360.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that a Bill to Provide for the Establishment of the Kenya Royal Naval Volunteer Reserve be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I should like to say that I welcome this Bill. People are laughing at the idea of having a Naval Reserve in this

Colony, but considering the importance of our Navy to this part of the world and the Empire, I think it right that we should have such a Reserve.

In section 8 I presume in the Committee Stage the hon. Member will consider putting in some figures as to what the ages are. It reads at present . . . and . . .

THE HON. THE ACTING ATTORNEY GENERAL: I may say, Sir, that the figures to be inserted will be eighteen and fifty.

HIS EXCELLENCY: The question is that a Bill to Provide for the Establishment of a Kenya Royal Naval Volunteer Reserve be read a second time.

The question was put and carried.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that this Council resolve itself into a Committee of the whole Council to consider the following Bills clause by clause:—

- The Customs Management (Amendment) Bill;
- The Explosives (Amendment) Bill.
- The Game Birds Protection (Amendment) Bill.
- The King's African Rifles Reserve of Officers (Amendment) Bill.
- The Liquor (Amendment) Bill.
- The Native Liquor (Amendment) Bill.
- The Corporations (Probate and Administration) (Amendment) Bill.
- The Penal Code (Amendment) Bill.
- The Hall Pension Bill.
- The Native Authority (Amendment) Bill.
- The Roads in Native Reserves (Repeal) Bill.
- The Kenya Royal Naval Volunteer Reserve Bill.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to second the motion.

THE HON. T. J. O'SHEA: On a point of order, Your Excellency, is the hon. Member entitled to move that these Bills be taken in Committee, as that is not on the Order of the Day?

THE HON. THE ACTING COLONIAL SECRETARY: On a point of explanation, Sir, the Committee Stage and third reading may be taken at any time after the second reading. That has been the invariable practice in the past.

THE HON. T. J. O'SHRA: I am quite satisfied, Sir. The question was put and carried. The Council went into Committee.

*In Committee.*

THE CUSTOMS MANAGEMENT (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE EXPLOSIVES (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE GAME BIRDS PROTECTION (AMENDMENT) BILL.  
The Bill was considered clause by clause.

Clause 2.—Hunting, etc., on private land.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, beg to move that the word "written" be inserted between the words "the" and "consent" in the second line of the clause.

HIS EXCELLENCY: Is the Noble Lord satisfied?

LT.-COL. THE HON. LORD FRANCIS SCOTT: The idea was, Sir, that it would obviate any disputes afterwards. I do not feel very strongly about it.

THE HON. CONWAY HARVEY: I think I was responsible for introducing the point. I think in his absence the whole object of the measure will be frustrated. People will always have a defence by saying that somebody told him. But if the consent is not in writing there is no defence. You can always get a hit.

The question was put and carried.

THE KING'S AFRICAN RIFLES RESERVE OF OFFICERS (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE LIQUOR (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE NATIVE LIQUOR (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE CORPORATIONS (PROBATE AND ADMINISTRATION) (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE PENAL CODE (AMENDMENT) BILL.  
The Bill was considered clause by clause.

THE HALL PENSION BILL.  
The Bill was considered clause by clause.

THE NATIVE AUTHORITY (AMENDMENT) BILL.  
The Bill was considered clause by clause.

Clause 3.—Further amendment of section 8 of the Principal Ordinance.  
THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, beg to move that there be added to the Bill at the end thereof the following clause, to be numbered 3:—

"3. Section 8 of the Principal Ordinance is hereby further amended, and shall be read as if the following paragraph, to be numbered (a) were inserted between paragraphs (a) and (b) thereof:—

(a) Erecting and maintaining such beacons and mounds as the headman may direct to mark the boundaries of the local limits of the jurisdiction of the said headman."

The question was put and carried.

THE ROADS IN NATIVE RESERVES (REPEAL) BILL.  
The Bill was considered clause by clause.

THE KENYA ROYAL NAVAL VOLUNTEER RESERVE BILL.  
The Bill was considered clause by clause.

Clause 8.—Member to be British subject of European race or origin.  
THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that the word "eighteen" be inserted after the word "of" in line 2 of the clause and that the word "fifty" be inserted after the word "and" in line 3. It will then read: "any man between the ages of eighteen and fifty."

The question was put and carried.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that:—

The Customs Management (Amendment) Bill;  
The Explosives (Amendment) Bill;  
The King's African Rifles Reserve of Officers (Amendment) Bill;  
The Liquor (Amendment) Bill;  
The Native Liquor (Amendment) Bill;  
The Corporations (Probate and Administration) (Amendment) Bill;  
The Penal Code (Amendment) Bill;

The Hall Pension Bill;  
The Roads in Native Reserves (Repeal) Bill;  
be reported to Council without amendment; and that:—  
The Game Birds Protection (Amendment) Bill;  
The Native Authority (Amendment) Bill;  
The Kenya Royal Naval Volunteer Reserve Bill;  
be reported to Council with amendment.  
The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that—

The Customs Management (Amendment) Bill;  
The Explosives (Amendment) Bill;  
The King's African Rifles Reserve of Officers (Amendment) Bill;  
The Liquor (Amendment) Bill;  
The Native Liquor (Amendment) Bill;  
The Corporations (Probate and Administration) (Amendment) Bill;  
The Penal Code (Amendment) Bill;  
The Hall Pension Bill;  
The Roads in Native Reserves (Repeal) Bill;

have been considered clause by clause in Committee of the whole Council and have been reported to Council without amendment; and that:

The Game Birds Protection (Amendment) Bill;



The Native Authority (Amendment) Bill;  
The Kenya Royal Naval Volunteer Reserve Bill;

have been considered clause by clause in Committee of the whole Council and have been reported to Council with amendment.

### THIRD READINGS.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the Customs Management (Amendment) Bill.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to second the motion.

HIS EXCELLENCY: If hon. Members do not mind we will take them *en bloc*.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of:—

The Explosives (Amendment) Bill.

The Game Birds Protection (Amendment) Bill.

The King's African Rifles Reserve of Officers (Amendment) Bill.

The Liquor (Amendment) Bill.

The Native Liquor (Amendment) Bill.

The Corporations (Probate and Administration) (Amendment) Bill.

The Penal Code (Amendment) Bill.

The Hall Pension Bill.

The Native Authority (Amendment) Bill.

The Roads in Native Reserves (Repeal) Bill.

The Kenya Royal Naval Volunteer Reserve Bill.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to second the motion.

The question was put and carried.

The Bills were read a third time and passed.

Council adjourned till 10 a.m. on Wednesday,  
2nd December, 1931.

WEDNESDAY, 2nd DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Wednesday, 2nd December, 1931, HIS EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

### MINUTES.

The minutes of the meeting of the 27th November, 1931, were confirmed.

### PAPERS LAID ON THE TABLE.

The following papers were laid on the Table:—

By THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.):

Report of the Select Committee on Draft Estimates, 1932.

Report of the Select Committee on the Native Christian Marriage and Divorce Bill.

### NOTICE OF MOTION.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to give notice that at a subsequent stage of this session I shall move the adoption of the Report of the Select Committee of this Council on the Native Christian Marriage and Divorce Bill.

### ORAL ANSWERS TO QUESTIONS.

FISHING IN THE KIKUYU NATIVE RESERVE.

LT.-COL. THE HON. C. G. DURHAM asked:—

1. Is it a fact that the Fish Warden and other Europeans have been prevented from fishing in certain rivers in the Kikuyu Native Reserve and threatened with personal violence if they did not immediately leave the vicinity?

2. If so; what action does Government propose to take in the matter.

THE HON. THE ACTING CHIEF NATIVE COMMISSIONER (MR. A. DE V. WADE): It is not a fact that the Fish Warden has ever been prevented from fishing, or threatened with

personal violence; it is a fact, however, that on one occasion, in 1929 (due possibly to some misunderstanding) a native landholder would not consent to the erection of a fishing hut on his land.

2. The only other known instance of an attitude in any way hostile to European fishermen occurred recently when a number of natives in Rimungi's location, Kyambu District, appear to have told Mr. C. K. Archer that he had no right to fish on their land and are reported to have adopted a truculent attitude. The Headman was absent from the location at the time and the District Commissioner, Kyambu, has not yet been successful in tracing the natives concerned. He is endeavouring to do so and if successful, will take such action as circumstances warrant.

3. Reports indicate that these two incidents are exceptions to the generally amicable relations which exist between fishermen and the local natives. The situation does not appear to call for any action by Government other than that indicated above.

#### MOTIONS.

##### REPORT OF SELECT COMMITTEE ON THIRD SUPPLEMENTARY ESTIMATES, 1930.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move that the Report of the Select Committee on the Third Supplementary Estimates, 1930, be adopted.

Those Estimates, Sir, were considered in detail at a recent meeting of the Select Committee and were unanimously accepted. In the light of that circumstance, Sir, I do not think there is any necessity for me to trespass on the time of Council this morning or do anything more than formally move the adoption of the Report.

**THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BATES):** Your Excellency, I beg to second the motion.

**HIS EXCELLENCY:** The question is that the Report of the Select Committee on Third Supplementary Estimates, 1930, be adopted.

The question was put and carried.

##### FIRST SUPPLEMENTARY ESTIMATES, 1931.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move that First Supplementary Estimates, 1931, be referred to a Select Committee consisting of all Unofficial Members of Council, the Treasurer, and myself as

**Chairman:** That, Sir, is the customary course which in recent years has been adopted with Supplementary Estimates as well as with the annual Estimates of Revenue and Expenditure for the Colony. It is a course which I am sure we are all agreed has much to commend it, Sir, inasmuch as the consideration of detailed Estimates in Committee of the whole Council necessarily involves the expenditure of much time, necessarily deprives hon. Members of the assistance of Heads of Departments who are not Members of this Council and militates to a large extent against that detailed examination which hon. Members have a right to expect when they are asked to approve of the expenditure of considerable sums. The Supplementary Estimates in question, Sir, involve a sum of £171,053, against which, Sir, has to be set £37,925 representing revenue which will accrue as a direct result of the expenditure covered by those Supplementary Estimates. Further, Sir, £15,459 of that sum represents no more than revotes from 1930, so that, Sir, we are really considering the expenditure of £117,675, which sum is—with the exception of a little over £6,000—represented by half-a-dozen main items which hon. Members will find set out at the foot of the first page of the Estimates, much the largest of these items being the funding of the interest on the 1930 loan, which amounts to £76,500. Detailed examination of these figures at the moment, Sir, is both unnecessary and essentially inadequate and I do not propose to take up any more of the time of this Council at the present juncture. I therefore move that the Supplementary Estimates be referred to the customary Select Committee.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second the motion.

**HIS EXCELLENCY:** The question is that the First Supplementary Estimates, 1931, be referred to a Select Committee, the personnel of which has been announced by the hon. the Acting Colonial Secretary.

The question was put and carried.

##### GRANTS-IN-AID TO HOSPITALS.

**THE HON. THE DIRECTOR OF MEDICAL AND SANITARY SERVICES (DR. J. L. GILKS):** Your Excellency, I beg to move:

"That this Council approves the adoption of the Report of the Committee of the late Council on grants-in-aid to African Hospitals."

"That the addition of the following clause to the resolution adopted by this Council on the 20th June,

1928, dealing with the system of Government grants to non-Government non-Native Hospitals be approved:—

In calculating the capital expenditure of a new hospital or extension of an existing hospital there shall be included the necessary furniture and equipment, this to cover only furniture and equipment provided or on order at the opening of the institution or extension, a schedule being submitted and approved in advance."

The motion is so self-explanatory, Sir, that I think very few remarks will be required from me and I believe it will receive the general approval of the House without much discussion.

It falls naturally into two parts. It will be remembered that the question of hospitals and Government contributions towards hospitals have been the subject of frequent discussions in this House. In the latter part of 1929 the question relating to non-Government and non-European hospitals arose in this House, as a result of which a special committee was appointed. The special committee duly considered the question in all its aspects and reported. The Report has been laid on the Table and the suggestion now is that the House should adopt that Report.

It is, perhaps, necessary to say a few words in regard to one or two of the points in the Report to which I have referred. It will be noted in the third recommendation that it is suggested that a hospital which it is proposed to bring into being shall form part of a general scheme of hospitals for the Colony. That general scheme of hospitals is in existence.

In 1927 the whole question of health and hospitalization as relating to the native reserves was made the subject of a memorandum by the Department. Broad lines were laid down and suggestions were contained therein as to the districts in which it was thought necessary either to maintain or to bring into being a new hospital or to extend existing hospitals. The intention was, in regard to new hospitals, that they should be provided for out of Government funds or out of funds from missionary bodies, and so forth. For the purposes of the memorandum it did not matter whether the hospital had been brought into being, was Government or non-Government. However, from Recommendation No. 7 it will be noted that Government's contribution should be limited to the basis of one bed per thousand of the population to be served. That, Your Excellency, was inserted as it is one of the basic points on which the recommendations for hospitalization, to which I have already referred, are founded. I can only say that the basis of one bed, the ratio of one bed per

thousand of population, is considerably below that which obtains in more advanced countries. It was necessary, however, to make a start and to get on to an equitable basis and so we adopted the ratio of one bed per thousand as something to get on with at the beginning.

Towards the end of the Report there is a reference to payment of grants for recurrent expenditure. There again, it will be noted that this hospitalization scheme is referred to and that the question of payment of recurrent expenditure is based again on this ratio of one bed per thousand of population.

When the question of Government assistance to European non-Government hospitals was raised in this Council some years ago a certain policy was adopted, but in that policy it will be remembered there was no reference made to equipment. I cannot quite remember the reasons why that point was not taken into account, Your Excellency, but it soon became quite evident that the initial equipment of any hospital must be regarded as part of the initial capital expenditure and it is probably desirable that the point should be definitely covered by a resolution in this House. Your Excellency, I beg to move the motion which stands in my name.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is:

"That this Council approves the adoption of the Report of the Committee of the late Council on grants-in-aid to African Hospitals."

"That the addition of the following clause to the resolution adopted by this Council on the 20th June, 1928, dealing with the system of Government grants to non-Government non-Native Hospitals be approved:—

"In calculating the capital expenditure of a new hospital on extension of an existing hospital there shall be included the necessary furniture and equipment, this to cover only furniture and equipment provided or on order at the opening of the institution or extension, a schedule being submitted and approved in advance."

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I wish to support the motion before the House.

I was one of the members of the Committee which drew up this Report dealing with grants-in-aid to European hospitals. We spent a considerable time going into it. I think

we dealt with it very thoroughly and I think the Report which was eventually agreed on meets the position as well as can possibly be done.

With regard to the second part of the motion, Sir, I hope very much that this Council will adopt that also. It will be seen that we have recommended such a condition for the African hospitals and I think it is only right and fair that it should be applied to European hospitals.

There is one other point, Sir, which I should like to bring to the attention of Government. I have suggested this before but never formally. In one of the sections toward the end of this Report (the Report of the Committee on Grants-in-Aid to African Hospitals) it says:

"Finally the Committee suggested that a standing committee composed of the Director of Medical and Sanitary Services, the Chief Native Commissioner, the Director of Public Works and two elected Members should be formed to consider and advise on schemes which may be submitted for Government assistance in the shape of capital grants."

I believe, Sir, it would make things very much easier if a similar committee, with possibly the Commissioner for Local Government, Lands and Settlement in place of the Chief Native Commissioner, was appointed to deal with any applications connected with European grants. The whole onus at present is on the Director of Medical and Sanitary Services either to agree or refuse. I think he would find such a committee a considerable support to him, Sir. I am not moving that as an amendment; I am merely making it as a suggestion.

**HIS EXCELLENCY:** I think I can give the Noble Lord an assurance that both these suggestions will be carried out by the Government.

**LT.-COL. THE HON. LORD FRANCOIS SCOTT:** Thank you, Sir.

**HIS EXCELLENCY:** If no other hon. Member wishes to speak I will put the motion. The question is:

"That this Council approves the adoption of the Report of the Committee of the late Council on grants-in-aid to African Hospitals."

"That the addition of the following clause to the resolution adopted by this Council on the 20th June, 1928, dealing with the system of Government grants to non-Government non-Native Hospitals be approved:—

'In calculating the capital expenditure of a new hospital or extension of an existing hospital there

shall be included the necessary furniture and equipment, this to cover only furniture and equipment provided or on order at the opening of the institution or extension, a schedule being submitted and approved in advance."

The question was put and carried.

#### REPORT OF SELECT COMMITTEE ON THE TOWN PLANNING AND DEVELOPMENT BILL.

**THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN):** Your Excellency, it is about a year ago since I first introduced the Town Planning and Development Bill in its original form in this House. At that time the Bill was referred to a Select Committee which went in great detail into the detailed provisions of the Bill but its Report was unable to be taken in this House during the lifetime of the last Council. It was therefore decided to reprint the Bill with all the amendments in detail suggested by that Select Committee and reintroduce it as a fresh measure in this House at the session in June last. I mention these facts, Sir, to explain how it has come about that in the Report whose adoption I now move the detailed provisions of the Bill emerge comparatively scathless. The first Select Committee, Sir, was divided in opinion on one point and on one point only, namely, that of the betterment provisions of this Bill. It appeared, however, during the debate on the second reading of the Bill that the principle of betterment was accepted and that the question to which the Select Committee was to direct its particular attention was the percentage of betterment which a local authority should be allowed to claim. Interference with private rights is inevitably resented but as in public health measures so also in those of town planning some interference is inevitable, also in designing this Bill we did endeavour to make the position of the private landholder more secure than it has been heretofore under the Town Planning Ordinance which it is proposed to repeal. The scales in that Ordinance were unduly weighted against the private landowner and in the design of this Bill it has been endeavoured to remove that inequality and to give greater protection to private rights. The second object of the Bill has been to enable a local authority to claim before the courts from private interests which were benefitted by its plan the recovery of the full amount of that benefit and so reduce the net cost of the plan which would be recoverable otherwise by means of rates from the citizens at large. The Select Committee, Sir, went very carefully into the way in which the balance had been drawn between private interests and public rights and I am happy to say that they are unanimous

now in agreeing that the provisions in regard to betterment should stand as they appear in the Bill. That being so, Sir, it is, I think, not incumbent upon me to delay the time of the House in arguing the pros and cons of betterment as such.

The Report of the Committee, Sir, contains ten recommendations, of which seven are purely verbal, two I think are self-explanatory, and I need only mention one, namely, that under paragraph 8 where, instead of having recourse by mandamus under certain circumstances, it is proposed that the Governor in Council shall be empowered to authorize the Commissioner for Local Government to act in the place and at the expense of the authority in exercise of the powers conferred in the section.

One Member, Sir, the hon. and gallant Member for Nairobi South, in signing the Report did so subject to the laying on the Table of certain regulations. I think, Sir, that the condition arose from this misunderstanding for which I was perhaps responsible and I trust I have explained it: it is really this, the regulations are merely procedure regulations and they cannot be enacted until the Bill itself has been passed, but I have given him a copy of the regulations it is proposed to submit.

I beg, Sir, to move:

"That the Report of the Select Committee of the Legislative Council appointed to consider the provisions of a Bill to Amend the Law Relating to Town Planning be adopted."

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is:

"That the Report of the Select Committee of the Legislative Council appointed to consider the provisions of a Bill to Amend the Law Relating to Town Planning be adopted."

CAPT. THE HON. H. F. WARD: Your Excellency, as a Member of the Select Committee I beg to support the motion before the House. As a new Member in some ways of that Committee I felt it necessary to consider very carefully the objections that had been raised previously, and the principle objection was not against the raising of the betterment from 50 per cent to 100 per cent—it was a definite objection to the whole principle of betterment. That principle, of course, has been admitted some time ago by this Council in the Principal Ordinance and therefore it was impossible at the stage that

we met at to support any objection of that sort. Further, Sir, it was proved to our satisfaction conclusively that the improvements and the benefits to the general public which could be afforded by these amendments could not be afforded unless the amount was raised, and I think it is undoubtedly a fact that property owners under this Ordinance will benefit very considerably by these amendments which are now being introduced. I beg to support the measure, Sir.

COLONEL THE HON. W. K. TUCKER: Your Excellency, I too was a Member of the Select Committee and I am able to support the Bill as now presented, or rather support the Report of the Select Committee. On the occasion of the second reading I catalogued a series of objections as briefed by people in Nairobi which materially affected the people who had studied this problem for years. I entered the Select Committee feeling that those objections had many grounds, but I came away convinced in the same way as the hon. Member for Nairobi North that Government could not be expected to subscribe to the various concessions included in the Bill unless betterment was agreed to.

The hon. mover, Sir, made reference to a request of mine that the initial regulations which it is in your power to lay down should be circulated prior to the passing of this Bill. I did not particularly want them laid on the Table of this House, but by courtesy of the hon. gentleman I have not only seen a copy but have been allowed to show it to the people principally interested, and I think I can say, Sir, that after the case that has been made out, Nairobi, which is more particularly affected, at all events in the near future, than other districts, will loyally accept the measure as now put forward.

There is only one other point, Sir. In the Bill powers are given under the Indian Land Acquisition Act, and on this occasion, as on others where that legislation is referred to the point was raised at the second reading, and I suppose people will go on raising it—I hope that Government will at some not distant date introduce a Land Acquisition Act of our own which is much more suited to the conditions of this country.

I beg to support the motion, Sir.

THE HON. THE ACTING COLONIAL SECRETARY: May I claim the indulgence of the House to say a word on the last point made by the hon. and gallant Member for Nairobi South? A local Land Acquisition Act has been drafted and is at the present moment engaging the very careful examination and attention of Government.

**HIS EXCELLENCY:** The question is:

"That the Report of the Select Committee of the Legislative Council appointed to consider the provisions of a Bill to Amend the Law Relating to Town Planning be adopted."

The question was put and carried.

## BILLS.

### THIRD READING.

#### THE TOWN PLANNING AND DEVELOPMENT BILL.

**THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT:** Your Excellency, I beg to move that the Town Planning and Development Bill be read a third time and passed.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

### SECOND READING.

#### THE 1930 SUPPLEMENTARY APPROPRIATION BILL.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move that a Bill to Supply a Further Sum of Money for the Service of the Year ended the Thirty-first day of December, 1930, be read a second time.

Hon. Members appreciate, Sir, that this is merely a formality giving statutory effect to the resolution for the adoption of the Report of the Select Committee on those Supplementary Estimates which was passed a few minutes ago, Sir. There is no need for me to say anything on the subject of this Bill and I shall merely formally move the second reading.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the 1930 Supplementary Appropriation Bill be read a second time.

The question was put and carried.

### SUSPENSION OF STANDING ORDERS.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, in accordance with notice given in the Order Paper for to-day I beg to move, with your leave, Sir, that Standing Rules and Orders be suspended in order to enable the Levy on Official Salaries Bill and the Levy on Salaries (Transport

Services) Bill to be taken through all their stages without due notice. I should like, Sir, with the indulgence of the House, to elaborate that motion very slightly in one regard. It has been suggested to me this morning, Sir—and, if I may say so, very properly and very temperately suggested to me—that certain Elected Members have had insufficient time to consider in detail the provisions of two measures of such first importance as these. It was unfortunately not possible to get these Bills into final shape and get them back from the Government Press until early yesterday morning, and therefore hon. Members have not had a very great deal of time to consider the provisions, and so, Sir, when I suggest the Suspension of Standing Rules and Orders I desire to make it clear that I suggest that suspension with a proviso which I hope, Sir, will meet with the approval of all Members of the House. That proviso is, Sir, that—assuming that the motion for suspension is accepted—after the Bill has been read a first time I should endeavour briefly to explain firstly the principles and secondly the details of major importance, and that after I have done that, Sir, the customary adjournment of this Council should be taken so that Elected Members may have a further opportunity of examining the provisions in the light of my exposition of them; and further, Sir, that after that adjournment Elected Members should have the right to state whether they desire the debate further to continue to-day or whether they desire still more time to consider the provisions of the Bill, in which case, Sir, with your leave, I shall move that the debate on the second reading be adjourned and that progress be reported.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that Standing Rules and Orders be suspended in order to enable the Levy on Official Salaries Bill and the Levy on Salaries (Transport Services) Bill to be taken through all their stages without due notice.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, on behalf of hon. Members on this side of the House I should like to thank the hon. mover of this motion for the courteous way in which he has met our representations. The course which he has outlined will meet our convenience, and after the adjournment we will notify Government of what action we propose to take.

**HIS EXCELLENCY:** The question is that Standing Rules and Orders be suspended in order to enable the Levy on Official Salaries Bill and the Levy on Salaries (Transport Services) Bill to be taken through all their stages without due notice.

The question was put and carried.

## BILLS.

## FIRST READINGS.

## THE LEVY ON OFFICIAL SALARIES BILL.

On motion of the Hon. the Acting Colonial Secretary the Levy on Official Salaries Bill was read a first time.

## THE LEVY ON SALARIES (TRANSPORT SERVICES) BILL.

On motion of the hon. the Acting Colonial Secretary the Levy on Salaries (Transport Services) Bill was read a first time.

## SECOND READINGS.

## THE LEVY ON OFFICIAL SALARIES BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Impose a Levy on Official Salaries be read a second time.

As recently as August last, Sir, the question of a special contribution from members of the Civil Service to meet the financial requirements of the Colony at the present time was raised and was discussed at considerable length in this Council. The suggestion at that time, Sir, took the form of what was known as a "cut" in salaries. That suggestion, Sir, I opposed on behalf of Government and on behalf of the Service to which I am proud to belong as strongly as I could. I endeavoured temperately and briefly to outline what appeared to be the main and almost insuperable objections to any such "cut." On that occasion, Sir, my hon. friend the Chief Native Commissioner, who spoke on the 28th August at the conclusion of the debate said as follows:

"It may be an open secret that we—that is, the Service—that we ourselves discussed it, and I want to say—which I hope hon. Members will believe, though I cannot, of course commit the Association to an acceptance of my views—I am in touch with well-informed thought from members of the Service and I do believe that a great many of them will agree with me when I say that we are perfectly prepared to shoulder a reasonable share of the common burden, but we cannot—I am sorry I cannot—agree with hon. Members in this: we cannot think that a cut in salary is the best way to set about it. A cut in salary must inevitably breed a sense of insecurity and suspicion. We should never know when we were going to be cut again and we feel that Government could get the same amount of money out of us by taxing our salaries rather than by cutting them."

With every word of that, Sir, if my hon. friend will allow me to say so, I was at the time and still am in complete agreement. From not one of the arguments against the

"cut" in salaries which I ventured to advance on that occasion have I received one iota. My objection to anything in the nature of interference with a basic rate of salary throughout the Civil Service is as strong to-day if not stronger than it was then.

But, Sir, a levy on salaries is a very different matter. A levy on salaries leaves the basic salary unimpaired, un-reduced. It does not affect pensions, it does not affect Widows' and Orphans' Pensions, it has none of the objections which I ventured to point out to the House when the proposal was a cut in salaries.

And so, Sir, to-day hon. Members have before them for consideration both in principle and in detail a measure enabling salaries to be the subject matter of a levy.

We are going at the moment, Sir, through a time of crisis, but, Sir, there is no one in this House so pessimistic as to imagine that that crisis is going to be of indefinite duration. This is emergency legislation, Sir. It is definitely and deliberately expressed as emergency legislation and I feel confident, Sir, that in so expressing Government's intention we shall have the support and backing of all hon. Members of this Council.

Now, Sir, what briefly are the proposals? The Bill in its form follows closely the legislation recently enacted towards the end of the life of the late Government at home for national economies. It is an enabling Bill. It is a Bill which empowers Your Excellency in Executive Council by order to impose a levy on salaries. That levy, Sir, is elastic within the prescribed maximum of 10 per centum of the chargeable salary. Further, Sir, provision is made for the annulment of such an order, for its suspension for any specified month or number of months, and for the exemption from the purview of such order any person or class of persons.

That, Sir, is a point which I think perhaps requires a little explanation. The reason for making such an exemption, Sir, is a reason which has been advanced, and quite cogently advanced; by a sub-committee of Elected Members themselves in the hope that certain members of the Service, already in the Service, may be attracted to an acceptance of the new conditions of service suggested in the recent Report of the Terms of Service Committee. Elected Members themselves, Sir, have suggested that officers who do accept such conditions should be exempted from the liability to pay the levy on salaries. It is impossible at the moment, Sir, to say—no one can possibly expect me to say by and large that in every

individual case Government will so exempt, but the power of exemption is there, Sir, and the type of case which Elected Members have indicated for the use of that power is exactly the type of case in which it will be exercised.

I have talked a lot about "salary" and "chargeable salary" and terms of that sort, but what do we mean by these terms? Hon. Members will find the definition of "salary" in the second clause of the Bill. They will observe that "salary" is not limited to the basic salary attached to the office which an officer substantively holds. "Salary", Sir, for the purpose of this legislation, includes acting allowance, duty allowance and personal allowance, but does not include any other allowances. The reason for that, Sir, is, I hope obvious. The three types of allowance which are included—acting allowance, duty allowance and personal allowance—are very closely allied, though unfortunately only temporarily allied to salaries. They are, in fact, additional cash payments made to an officer in respect of the performance of the duties of the office in which he is temporarily occupied. But other allowances, Sir, are entirely different. I am asked, Sir, why we have not included house allowance. The reason for the exclusion, Sir, is that it is not every officer who draws it and it would, I suggest, be a manifest inequality if officer "A", who is provided with free quarters has to pay a levy only on his salary, whilst officer "B", for whom free quarters cannot be found and to whom house allowance has to be paid and spent in putting a roof over his head, has to pay, not only on his salary, but on his house allowance in addition. Similarly, Sir, such travelling allowance as is now payable cannot by the wildest stretch of the imagination be regarded as any more than the mere re-imbusement of necessary additional expenditure incurred in travelling. That, Sir, is why Government has not included allowances other than the three allowances actually paid in cash for the specific purposes to which I have just drawn attention.

Now, Sir, having arrived at what "salary" is, the next point is on what is the levy calculated? The levy is not claimed on salary, Sir, but on "chargeable salary" and "chargeable salary" is defined in clause 2 by a reference to clause 3, which I think puts the matter quite clearly:

"In ascertaining the chargeable salary of an officer, there shall be allowed a deduction of the amount which such officer contributes to the Widows' and Orphans' Pension Scheme or of his compulsory deposits to a provident fund."

Salary, in accordance with the definition to which I have already alluded, is taken, and from that is deducted the amount which the officer contributes to the Widows' and

Orphans' Pension Fund. That term again is defined as including schemes established under the European Widows' and Orphans' Pension Ordinance, the Asiatic Widows' and Orphans' Pension Ordinance, 1927, and any approved scheme as defined in the former.

Hon. Members are no doubt aware that when an officer is transferred from the West Coast of Africa, where a Widows' and Orphans' Pension Fund is in existence, he is not called upon to contribute to the local fund if he continues his contributions to the West African Fund. The West African Fund in that case is an approved scheme. Well, Sir, I repeat, in arriving at "chargeable salary" a deduction is made of the amount of the contribution to the Widows' and Orphans' Pension Fund, be it European or Asiatic. That, again, Sir, is I submit only elementary equity because a contribution to the Widows' and Orphans' Pension Fund, which, in the case of the great majority of officers of the Service is compulsory, amounts in effect to a five per cent deduction from salary.

I am happy to say, Sir, that the Elected Members, in accepting the recommendations of the sub-committee on this matter, accepted that condition also, that in arriving at the salary subject to deduction, deductions in respect of Widows' and Orphans' Pensions Fund contributions should be taken into account.

The next question, Sir, is who is to pay this levy? On that point I would refer hon. Members, Sir, to the definition of "public service." It is not only the Kenya civil servants who have to pay; the definition includes also those officers of the Northern Brigade of the King's African Rifles who are serving this Colony, officers of the Governors' Conference establishment and of the Joint East African Meteorological Service. All of those are included, Sir, under the Head of Civil Servants, but the Bill goes further than that again, Sir, because we have included in the purview of this legislation those who are in the service of municipalities and other local authorities. Those officers, Sir, are to a considerable extent in receipt of emoluments from Government; they are quasi Civil Servants in that Government, either by direct grants for that specific purpose or by general grants, does in effect pay a proportion at least of their emoluments. Furthermore, Sir, officers in municipalities and in the service of other local authorities are in all regards extremely similar to those in the Civil Service of the Colony, and Government has considered it equitable, Sir, that they should be included within the scope of this Bill; and so, Sir, special provisions are made not only in the interpretation section which defines "local authority", in the definition of "provident fund"—which I



may state for the enlightenment of Members is included *ex abundante cautela* because it is understood that the Nairobi Municipality is at the moment considering the exercise of the statutory powers which it has under the Local Government (Municipalities) Ordinance in the direction of establishing a provident fund—but also, Sir, when we come to clauses 6 and 7 we find definite provisions relating to the imposition of the levy on the servants of local authorities.

There is one clause, Sir, about which I have said nothing at present and about which I desire, with the indulgence of the House, to say something—that is clause 9, Sir, which deals with exemptions from the purview of the Ordinance. On the question of (b), Sir, I need say nothing. The salary of a servant of the High Commissioner for Transport is not to be subject to this levy for the reason that the next item on the Order Paper to-day is parallel legislation applicable to servants of the High Commissioner for Transport who will themselves be paying a levy, the material difference between the two being that the levy on the Civil Service generally and on servants of local authorities will form part of the general revenues whereas the levy on the salaries of servants of the High Commissioner will form part of the Railways and Harbours Fund—and so, Sir, for these obvious reasons it is necessary in this clause to exempt the salaries of servants of the High Commissioner for Transport. But, Sir, the first exemption is the official emoluments of the officer administering the Government. On that, Sir, I want to say emphatically one or two things. It is constitutionally necessary, it is a legislative commonplace in all Colonial legislation dealing with such subjects as income tax—and I would remind hon. Members of the provisions of the Income Tax Ordinance which had a brief but stormy residence on the statute book of this Colony—that the official emoluments of the officer administering the Government should be exempt, and the reason for that, Sir, is that by the provisions of the Order in Council establishing this Colony the officer administering the Government is exempt from the purview of the courts of the country. The reason for making this exemption is constitutional and is nothing but constitutional, and I have Your Excellency's authority to state that your inclination, Sir, was to make yourself subject to the provisions of this Bill, that the arguments which I advanced to the best of my ability against your making yourself so subject did not carry as much weight as I hoped they would, and that the determining factor was that the Governor of a Colony is in a different position from the ordinary Civil Servant, not only because of the constitutional reasons which I have endeavoured to explain, but also because

the Governor of a Colony is in a peculiar sense the direct personal representative of His Majesty and has to seek instructions on such matters as these directly and personally as an individual from the Right Honourable the Secretary of State. But, Sir, I wish to state emphatically that it is Your Excellency's intention, notwithstanding the provisions of clause 9 of this Bill, to make yourself and your official emoluments subject to all the provisions of this legislation; to make the same contribution notwithstanding the exemption conferred by clause 9 as an ordinary Civil Servant has to make in respect of his chargeable salary. I hope, Sir, now that I have said that the position is clear. There is no intention whatever of shielding the Governor from the provisions of this legislation; there is no intention of putting the officer administering the Government in a better position than any other member of the Service (of which we are all fellow members) occupies. The reason for that exemption, I repeat, Sir, is constitutional. The effect of the exemption will in practice be nil. The contribution will be made by the salary of the officer administering the Government in like manner as any other Civil Servant contributes.

The last clause makes it clear that, as I have said earlier, this is an emergency measure and will remain in force for a period of one year only, subject to the proviso, Sir, that its provisions may be extended for a further period, if circumstances so warrant, by proclamation of the Governor supported by a resolution of this Council.

It may be, Sir, that there are many points of view in connexion with this legislation on which I have not touched. If that is so, Sir, I feel that an apology is due to the House. I have endeavoured briefly to cover the main principles and the more salient details of the legislation. I can only give an assurance, Sir, that if there are such points on which any hon. Member wants further information I shall endeavour to deal with them at as great length as possible in my reply. At the moment, Sir, I have done. I move, Sir, that the Bill be read a second time and I take it, Sir, that when that question has been put the Council will adjourn. Perhaps I might very briefly indicate the difference between this Bill and the Levy on Salaries (Transport Services) Bill, and then take the adjournment.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Levy on Official Salaries Bill be read a second time.

The debate will be adjourned.

**THE LEVY ON SALARIES (TRANSPORT SERVICES) BILL.**

**THE HON. THE ACTING COLONIAL SECRETARY:** If hon. Members will permit me, Sir, bearing in mind that its form and provisions are exactly parallel except in one small regard, I beg to move that the Levy on Salaries (Transport Services) Bill be read a second time.

The one point of divergence between the provisions of this legislation and of the Bill to which I have just addressed myself—omitting for the moment necessary verbal differences such as "High Commissioner for Transport" for "Governor"—is the inclusion under the definition of "salary" of various other allowances which are paid in the Railways and Harbours Administration and are not paid in the Civil Service. Those, Sir, are mileage allowance, stabling allowance, Sunday and holiday allowance and overtime. These have been included as part of salary for the purpose of this Bill, but in all essential respects the legislation is exactly parallel with that to which I have a few minutes ago addressed myself.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Levy on Salaries (Transport Services) Bill be read a second time.

The debate will be adjourned.

*The Council adjourned for the usual interval.*

*On resuming.*

**THE LEVY ON OFFICIAL SALARIES BILL.**

**HIS EXCELLENCY:** The question is that a Bill to Enable a Levy to be Imposed on Official Salaries be read a second time.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, in rising to support the general principle underlying this Bill I should first like to say, Sir, that we appreciate very much, Sir, Your Excellency's attitude in not availing yourself of the exemption granted under this proposed Bill.

Sir, there are a few points in the Bill which Members on this side are not quite happy about. The first point, Sir, is that in section 4 it says:

"It shall be lawful for the Governor in Council by order to impose a levy at a rate to be specified in such order on the chargeable salary of every officer in the public service or in the service of a local authority, and from

time to time to vary the rate of such levy or to suspend it for any specified month or months, and to exempt from the levy any person or class of persons."

As you know, Sir, we are all very jealous of the privileges of this House and always a little nervous of any over-ruling of those privileges by the Executive Council. I trust, as this is only an enabling Bill, that the procedure to be followed here is not introducing any new precedent and is only following the course usually followed. I hope the hon. mover in his reply will explain that point.

The next point is in that same section, at the bottom it says:

"Provided that no levy may be imposed under this section at a rate higher than 10 per centum of the chargeable salary of any officer."

Well, Sir, Members on this side of the House in considering the whole of this question and the general finances of the Colony do consider that the amount which would have to be realized under such a levy would amount to an average of 10 per cent. We do not wish that the lower salaries should have to bear anything higher than that, but we do feel that the Government, even if they are not putting on so much at present, may find it necessary to raise the levy on the higher proportions to something beyond ten per cent and we cannot see that there is any reason for this proviso being inserted in the Bill. Government have complete control. Nobody can make them put on a higher rate but on the other hand they might very easily find that it ties their hand in the adjustment of anything in the nature of a sliding scale later on.

The next point, Sir, is in sections 6 and 7, which deal with local authorities. I shall leave it to hon. Members representing the towns to deal with that more fully, but we are not satisfied that this is quite the right way to deal with the employees of local authorities such as municipal councils in the towns, or even in the district councils, in view of the fact that they are generally engaged on quite different terms from the ordinary terms of the Civil Service.

With regard to section 9, Sir, exempting contributions to the Widows' and Orphans' Pension Fund, that was definitely recommended by Members on this side, Sir, and we agree with that. I understand that the municipal provident fund schemes in some of the towns have been postponed this year at the request of Government on the score of economy, but no doubt that will come up later on.

On the general principle that this Bill is only a temporary measure which does impose a levy on salaries, it has got to be borne in mind that, as I understand it, the cuts which have been made in Great Britain and India are definite cuts in salary and are not a temporary levy. We on this side of the House, Sir, do support the principle of a levy as we do not wish to interfere with the pensions which are due to officers, which would be affected by what is known as a definite and permanent cut, but while supporting the general principle of the Bill, we do hope that Government will give us the opportunity in Committee of moving various amendments to perhaps try and rectify the points which I have touched on now.

We are only dealing with the one Bill now are we not, Sir?

HIS EXCELLENCY: Yes, only the one Bill.

LT.-COL. THE HON. LORD FRANCIS SCOTT: That is all I have to say.

THE HON. CONWAY HARVEY: Your Excellency, I sincerely trust that nothing which is said in this debate will in any degree impair the very happy relations which exist between officials and settlers in this Colony and I do most ardently trust, Sir, that we shall see no return to the officials-settlers squabbles which were such an undesirable feature of our social, economic and political life about fifteen or eighteen years ago. There is no doubt whatever, Sir, that in times of stress more than at any other time it is necessary to achieve the maximum degree of co-operation amongst all sections of the community, every one of which must do its utmost for the Colony as a whole.

Now, Sir, there is no doubt whatever that all over the world, in all countries and colonies, substantial economies in public expenditure have been necessitated by the circumstances of the day. In Kenya, Sir, it is well-known that every other section of the community has been called upon to make very definite sacrifices and I feel quite sure that members of the Civil Service desire to be identified with the sacrifices and make such contribution as they can to the common cause. There is one point, Sir, about this Bill, however, and that is that in my humble opinion the amount of money which Elected Members decided, in the discussion in the Select Committee on the draft Estimates, was necessary in order to achieve a satisfactory financial position in the Budget will not be achieved by the cut as outlined by the learned mover. Personally, Sir, I am still of the opinion that we should aim

at a figure of something in the region of £98,000 and on that point, Sir, we should welcome it if in his reply to the debate my hon. friend the learned mover could give us some indication of the incidence of how this measure will work—I mean, whether there will be a higher contribution made by those in receipt of very high salaries than will be required from the lower paid grades.

Now, Sir, the sacrifice is not so great as might appear at first sight inasmuch as members of the Service in Kenya—and I desire to emphasize this fact—are really in receipt of emoluments greatly in excess of what is disclosed in the annual Budget. An officer, Sir, on a salary of £300 a year, when all the hidden emoluments are taken into consideration—to that £300 no less than 66 per cent has to be added in arriving at his total emoluments each year, whereas an officer drawing £1,500 a year has to have added to that figure no less than 43 per cent. Now, Sir, these very large percentages of 66 and 43 per cent are not being affected in any degree by this contemplated levy. Consequently the sacrifices, as I have said, are not nearly so great, as might appear at first sight.

Now, Sir, Kenya is not alone in taking this action, as I have said before. She is merely following the lead which has been set by other countries and I notice, Sir, that in New South Wales no less a cut than 20 per cent has been made on all salaries throughout the Service, while the Governor of that Colony has himself agreed to a cut of 20 per cent in his salary. In India, Your Excellency, Sir George Schuster a few weeks ago announced a reduction of 10 per cent throughout the Indian Civil Service in, I think, all personal emoluments. I sincerely trust, Your Excellency, that this proposal of Government will receive the unanimous support of this House, anyhow in principle, as I am sure it will of the whole country.

CAPT. THE HON. H. F. WARD: Your Excellency, I wish to join with the learned mover in paying a new acknowledgment to the Civil Service in this country who not so very many months ago voluntarily and without outside pressure expressed a desire to share in the burden of the present day. I am one of those—I believe the only one on this side of the House—that believe that the Government figure as foreshadowed in this Ordinance will be sufficient, but I qualify that by saying that I consider it will only be sufficient if Government takes certain adequate steps to improve the position for 1932 as left by the Select Committee of Council on the Estimates. I cannot say more about that, Sir, because the intention of Government is not revealed and the Appropriation Ordinance

has not been tabled in this House. I agree with my fellow Members to this extent that I certainly absolutely believe that a considerable improvement in the Government's recommendations as outlined in the Select Committee's Report is absolutely essential.

I also would like to join with what previous Members have said but from rather a different aspect. I do believe, Sir, that if Government increase the levy beyond the point they at present contemplate there must be some alleviation to the lower paid ranks of the Service, and if that were done it would be quite impossible for Government to get an increased sum without some form of graded levy which might in certain cases bring it over the 10 per cent level. I hope Government will also take into consideration one point in connexion with this legislation and that is the extreme unfairness in certain cases of the cancellation or reduction of travelling allowances made earlier in the year. The point, there, to put it quite briefly, is this: Some officers of Government are paid partly by remuneration and partly by either a fixed sum or scale for travelling allowances. That is definitely remuneration in return for the work they have performed and the amount of time they are forced under their contracts to spend in the field as apart from officers of Government who have occasionally to incur travelling expenditure. It seems unfair that one section of the Civil Service should be cut twice and one cut once.

Sir, I feel very strongly indeed on the proposal, as to which I had no knowledge at all until this morning, and that is that the Government should include the servants of the Nairobi Municipality in this levy. It seems the most utterly retrograde movement that could be suggested. The essence of forming that municipality is to say to the ratepayers of Nairobi "You have advanced sufficiently, you are sufficiently responsible to run your own show. You collect your revenues yourselves by rating yourselves; you employ your servants under the sanction of the Commissioner for Local Government, and you pay them." That municipality is in no wise dependent upon Government for its contribution. It has accumulated through a series of years a very large and substantial balance. I am referring to this at some length because the hon. and learned mover did refer to the Nairobi Municipality in relation to a provident fund and therefore I take it the Nairobi Municipality is intended to come under this Ordinance. In addition to that, Sir, within recent weeks, as we all know, that municipality has been prompted, has definitely undertaken consideration of the question of economy. It has had an economy committee sitting which has produced certain proposals which we must presume are acceptable to

Government for the reason that, as a Member of the Central Committee on Local Government, I have heard of no objection from the Commissioner for Local Government. Sir, this provision goes even further still. Having done that, the funds are to be paid to the central revenue of the Colony and not to the municipality at all. That is another very exceptional thing and I think, Sir, that if Government do such an exceptional thing as this the next thing we shall contemplate is the extension of that to all forms of public service—public utility services, and so forth. It is just as rational to do it in their case as in the case of the Nairobi Municipality.

I do not wish to oppose this Bill in principle but, when the Bill goes into Committee I shall definitely move, for what it is worth, that reference to the Nairobi Municipality be excluded.

Finally, Sir, I am glad to see that there are provisions in this Ordinance for the special consideration by Government of hard cases; there are definitely and definitely will be hard cases which will arise under this Ordinance.

CAPT. THE HON. J. L. COTTER: Your Excellency, I am generally in favour of the provisions of this Bill with the exception of clause 4 because I consider that 10 per cent may not be adequate. From previous speakers I have heard a lot about the sacrifice from the Civil Service which will take place if this cut is made. I presume a levy will be proposed—I am only presuming—that will be in the neighbourhood of 5 to 6 per cent, but, Your Excellency, I see no sacrifice at all in that. I am comparing it with the rest of the public of Kenya—the average farmer in this country, in the average case—I should say most, except perhaps in the one industry of coffee—that cut has been anything up to 80 per cent. In my own, I may say, it has been roughly 100 per cent on account of locusts. As far as the Civil Service is concerned they will make no sacrifice at all, if the amount I imagine will be charged is going to be charged. On the salaries these various gentlemen are receiving in the Civil Service to-day they have what they call their annual increments. It is simply this, that they are not going to be paid their annual increments for next year. I fail to see any levy on the salary at all there. Those people will be really in exactly the same position as they were last year. I admit they lose their annual increments, what they would have got in other circumstances, owing to the most extraordinary position the world is in to-day, with an economic position such as has never been faced before; and in addition to that this country has been over-run by what is as bad as if we were taking part in a great war, in other words the locust invasion which is

unprecedented, and in spite of what some people say even to-day this same locust invasion is to-day in my district as bad as it has ever been there, as I saw with my own eyes when I left my place yesterday morning—that is why, Sir, that I cannot see why it should be limited to 10 per cent. I do not suppose there is anybody or any hon. Member here who wishes to put a levy on official salaries just for the sake of putting a levy on, but I submit there are various other things which have got to be faced for the Budget and we shall have to reckon that a very much greater sum will have to be found than is budgeted for and I submit that that maximum of 10 per cent should be deleted entirely.

COLONEL THE HON. W. K. TUOKER: Your Excellency, I desire to associate myself with what was said a few moments ago by the Noble Lord. We make no apology, I think, for initiating this movement, having regard to the degree of crisis with which we are faced. At the same time, representing as I do for the moment a constituency that has a very high percentage of Civil Servants within it, I would like to say that we have approached this movement in no callous manner. On the contrary, we have had precisely those delicate feelings which we always have when we have to make a downward movement in the salaries and wages of any persons in any private employ. We recognize that for the time being there may be a little inconvenience, there may even be deprivations amongst certain portions of the Service until they have just had time to adjust their standard of living. Again, Sir, in this movement we have had to initiate I am glad to say that our path has been paved, not only by the speech quoted this morning by the hon. the Acting Chief Native Commissioner some months ago, but by many similar manifestations on the part of the Civil Service who have so readily recognized the difficulties besetting the country and a desire on broad lines to fall into line with the lower remuneration accepted by practically every other servant in the country.

I am disposed to agree, Sir, with the remarks of the hon. Member for Nairobi North with regard to the servants of local bodies. It is a matter that has not been too fully considered but at all events it does seem fair that even if you include them within the provisions of this Bill there should be a corresponding refund to these local authorities in respect of retrenchments exercised through Government legislation.

The final remark I desire to make is to welcome the explanation given by the hon. mover with regard to exemptions. I think it is very enterprising of Government to seek

this earliest opportunity of facilitating the practice recommended in the Report of the Terms of Service Committee. I would ask Government to lose no similar opportunity of offering inducements whereby once the recommendations of that Committee are put into practice in other quarters that Government will offer any and every reasonable inducement to people who are on another basis of employment to-day favourably to consider transferring to these new terms of service recommended by the Committee.

THE HON. F. A. BEMISTER: Your Excellency, I am afraid to-day I am just about against everybody in the House. Having been a salary-earner for many years I have never been anxious to have it pulled down and, Sir, to quote the words of the late Lord Randolph Churchill, who said "The first mark of an incompetent Chancellor of the Exchequer was a shilling on the income tax", I reckon the first mark of incompetence of an organizer of a business is cutting his salaries. So many of the Civil Servants have apparently jumped at this sacrifice that it is quite wrong for me to suggest that they are acting in a bad manner but I can assure you, Sir, that many, many of the incidences of this cut will fall on people who will definitely feel it. I have no sympathy at all with the man on a couple of thousand a year who will lose two hundred—he will not notice it—but when a man is getting just enough to keep himself safe—and remember, Sir, the same man that you force to go home every thirty months has to pay the expenses of the passage of his wife and family and the expenses at home and the higher expenses of travel—that man will feel it very badly indeed.

I would like to refer to a debate the other day when an hon. Member on this side said that a certain tax—it was the entertainments tax, I think—was putting the cart before the horse; I believe, Sir, that this Bill also is putting the cart before the horse. I believe, Sir, that you have not examined several very large sources of revenue—revenue, remember, Sir, which I do not suggest will touch the consumer—revenue which to-day is being paid by the consumer to the supplier who is securing a vast uncontrollable profit on his product. I shall deal with that in another debate, Sir, but I contend you have not examined one-tenth of your opportunities. It is a popular cry and the Civil Service are falling for it. They want to be popular, and instead of holding out for the carrying out of their contracts and in future altering the terms of service so that new members of the Service shall come in and thus save money for the taxpayer, they have jumped into this thinking that is the finish of it—I can assure them it is nothing of the kind. I have been in many downward movements and once you start down you keep going.

I am going to appeal, Sir, to this House to put off this Bill until after we have studied the Budget prospects. I have not studied them, Sir, but I believe you will discover that there will be propositions put before you which will put into your hands very much bigger amounts than this paltry £50,000 which you are crying for. Besides that, with the readjustment in the terms of service, which you mentioned just now, you could save an equal amount as this and make everybody benefit.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I am going to support the principle of this Bill, but, Sir, like other Members on this side of the House, I regard clause 4 as objectionable owing to the fact that it limits the amount that can be taxed to 10 per cent. With regard to the Member for West Kenya, Sir, who suggested that members of the Civil Service would only lose their annual increments, looking over to Members on the other side of the House, they have not got any to lose. They get no increments. They have reached the maximum of their salaries, so I cannot agree, Sir. I should have thought the Government might have held out the hand of friendship towards us by suggesting a 7½ per cent cut instead of 5 per cent as indicated in the draft Estimates by the sum of £50,000. With regard to the last speaker, Sir, who told us that he could find all sorts of economies to show Government that they need not cut salaries at all, I should like to ask him why he did not come along during the last three months and point them out to Government instead of letting us waste our time for three months in Select Committee.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I very much regret from my own personal point of view—I put it that way, but I think there will be a number of Members on this side of the House who will agree with my opinion when I say that an atmosphere has been created this morning which is undesirable inasmuch as this Bill has been brought in previous to bringing in the Budget. I think it is definitely putting the cart before the horse to discuss a levy on salaries to bring in revenue of £50,000 when we might have first discussed the much bigger item of something like £3,000,000 and found out where we are going. I also regret that this Bill has been brought before Council before the Report of the Terms of Service Committee has been laid on the Table of this House.

HIS EXCELLENCY: The Terms of Service Committee Report has been laid, as also has the Select Committee Report on the Budget.

LT.-COL. THE HON. J. G. KIRKWOOD: I apologise, Your Excellency, but it is really not want of action on my part, but because Government failed to give me due notice to attend the last session on the 25th November. I received my notice on the morning of the 24th at Kitale by post. It was forgotten probably by the Secretariat that there is only one through train to Kitale per week. It is impossible for me to get a distance of 260 miles by-road in a day. Consequently I made the blunder which I made a moment ago. Nevertheless, Your Excellency, I maintain that the Report of the Terms of Service Committee should be either accepted or refused before the Bill before this House has been adopted. It has a direct bearing upon it, as also has the Budget.

I do not myself agree with the principle of the levy. I think there are adequate grounds for a definite cut. I think I am right in saying that there was an addition of 50 per cent added to the emoluments of administrative officers some years ago on account of the increased cost of living and the stabilization of the rupee. What the stabilization of the rupee had to do with it I do not know, but the cost of living certainly had a great deal to do with it. We have been told now that the cost of living has dropped some 12½ per cent. In 1926, I think, the 50 per cent was done away with and 20 per cent was added permanently. There has been a 12½ per cent drop in the cost of living so that if a 12½ per cent deduction were made on the lines of this Bill instead of 5 per cent there would still be 7½ per cent to the advantage of the administrative officers and so they would be suffering no injustice whatever. I also think Government has been lacking in initiative in not appointing an economic inquiry into all these matters. The Select Committee has been dragged over a long period of time, much against the wishes of Elected Members and also I have no doubt to the inconvenience of the officials, due to the fact that that Committee has been turned into a Geddes Committee instead of an economic committee.

I still hope Government will see its way to inquire into this matter of whether a permanent cut cannot be made in the salaries of Kenya without injustice to the administrative officers concerned. The 10 per cent which appears in more than one place in this Bill gives the public the idea that it is a 10 per cent cut, but that is not so, I understand. It is 5 per cent up to £1,000 and 7½ per cent over £1,000. It does provide for the Governor-in-Council to increase the cut up to 10 per cent but that is not a hope that will ever be realized.

I cannot at the moment see the justice of cutting the officers of local authorities and I think it was a mistake to include them in this Bill without inquiring into the circumstances. Take the district council officers. They are not on

the same footing as the administrative officers of Government. They do not get house allowance, they do not get leave, they do not get pensions, at any rate so far as I know. I do know officers who do not, so they are not on the same basis as the administrative officers, and I think that should be taken into account. I think it also should be taken into account that the administrative grants to district councils have been cut definitely this year. Their finances are very low and, if they are going to run their house in order, it is a question, if a cut is made in salaries, whether that cut should not go to the finances of the district council concerned to help them over the bad times or whether it should go to the central Government. At the moment I think a case has been put up and it is a case which should be seriously considered.

I listened with surprise to the special plea put in by the hon. the Colonial Secretary who told us he had advised Your Excellency against any levy on your remuneration . . .

THE HON. THE ACTING COLONIAL SECRETARY: On a point of personal explanation, Sir, I said nothing of the sort. I said I had advised you that constitutionally no such provision could be made in the Bill.

LT.-COL. THE HON. J. G. KIRKWOOD: I beg your pardon, Sir, but I would say this, with all due respect and consideration to Your Excellency, that the Colony would welcome the lead having been given some months ago—a lead has been given by His Majesty the King, the Prince of Wales and numerous governors throughout the Empire. But Kenya apparently has taken a different line.

I hope, Sir, that this Bill will not be forced through its second reading to-day and that it will be found advisable not to take it until to-morrow or the day after. I think Elected Members should have time to consider any amendments they propose to make in the Committee of the House. It would save time if they could discuss those amendments amongst themselves first.

Clause 10: I should like the hon. the Acting Colonial Secretary to put me right if I am wrong but I am not quite clear about this. In the first part it definitely states that this Ordinance will expire on 31st December, 1932. It then goes on to say

“ Provided that the Governor may, by proclamation, with the approval of the Legislative Council and of the Secretary of State declare that this Ordinance shall remain in force until a date to be fixed in such proclamation.”

Does that mean, Sir, that that date can be prior to 31st December, 1932, or does it mean that notwithstanding the

first portion of Clause 10 it can be extended to any subsequent date?

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE: Your Excellency, I propose supporting the principles of this Bill though I very much regret the necessity for it. At the same time, I have always opposed any suggestion for a cut in the salaries of Government officials coming from this side and I sincerely congratulate Government on having brought in this measure themselves to assist the country in its struggles.

THE REV. CANON THE HON. H. LEAKEY: Your Excellency, if we were considering an out and out and not a temporary levy I think the remarks made by the hon. Member for Mombasa would somewhat influence me in my vote, because personally I believe it would be a real danger to this House to make a cut. It would handicap the recruiting of officers in England who I know are making a definite attempt to enter this Colony, one of the finest Colonies for Great Britain, and if it is known there that we are in the habit of making cuts after definite salaries have been promised it might very easily make a promising candidate give the slip to Kenya and put his name down for some of the other Colonies. But, Sir, as it is a levy for the time, to meet the crisis we are going through, I intend to vote for it, and in doing so I am pleased indeed to know that the Civil Service themselves are willing to take their share in trying to alleviate the stress of to-day.

Mrs EXCELLENCY: If no other hon. Member desires to speak I will call upon the Colonial Secretary to reply.

THE HON. THE ACTING COLONIAL SECRETARY: The debate to which we have just listened, Sir, like the “ curate's egg ”, has been good in parts. I was particularly glad—I am speaking now, Sir, on behalf of the Service as a whole—to see how greatly the good parts outweigh the bad and to hear how anxious Elected Members are to safeguard the amicable relations which have existed and which I am happy to say to-day exist between the unofficial and the official communities in the Colony. I feel, Sir, as the spokesman for the Service, that I can go further than that and assure hon. Members that nothing that has been said to-day in those two deliberate, and I think I may say gratuitous, attacks on the Service which two hon. Members have seen fit to level at us, is going to impair those amicable relations. Those are the bad parts of the egg to which I have referred, Sir, and I would like to go just a little further in dealing with that. We have been told, Sir, by the hon. Member for Plateau North that he

would prefer a cut to a levy. We have been told that in volunteering this contribution, estimated to amount to £50,000 for 1932 in aid of the Colony which we are all proud to serve in, we are making no sacrifice at all. I have been a Civil Servant for twenty years, Sir; I am the son of a Civil Servant; I am very proud to be a Civil Servant and proud to have this opportunity of speaking on their behalf, but I would in all earnestness and with all friendliness remind those hon. Members who have chosen to make this attack upon us that there can be no greater asset to this or any other Colony than a contented Civil Service.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of order, may I say I was quoting facts. I was not making an attack. I defy the hon. the Colonial Secretary to dispute the facts I quoted about the increase.

THE HON. THE ACTING COLONIAL SECRETARY: It is undoubtedly a fact that the hon. Member prefers a cut to a levy, and we will leave it at that.

I repeat, Sir, there can be no greater asset to this or any other Colony than a contented Service, and a contented Service is an efficient Service. A Service which is permeated with a feeling of uncertainty of tenure, a Service which feels that it cannot trust those who constitutionally are in a position of authority over it is an inefficient Service, and it will be an evil day, an ill day for this or any other Colony, when the Service does become discontented and inefficient. There is nothing in this Bill, Sir, which to a very great extent is a voluntary sacrifice on the part of Civil Servants themselves of their own volition, which is going to impair either the happy relations or the contented and efficient nature of that Service. I am proud and happy to be able to say that, Sir.

Apart from that, Sir, there are very few points which I think I need discuss in more than a most passing manner here and now for the reason, Sir, that it is Your Excellency's intention, when the second reading of this Bill is concluded, to adjourn further consideration, the consideration of the Committee Stage, until a later stage in this session. That will in particular, Sir, give an opportunity to both sides of the House to consider the suggestions which have been thrown out by Elected Members in the course of the debate, particularly the suggestions for the amendment of clause 4 and for the amendment or deletion of clauses 6 and 7.

The Noble Lord, Sir, who opened the debate, asked me to endeavour to explain the exact meaning of clause 4, the exact constitutional effect of its provisions. On that, Sir, I would say that it is the common form in legislation of this

and of most other Colonies for the Legislaturo to depute to the Governor in Executive Council, the supreme executive body, the carrying out of the detailed machinery necessary to give effect to the provisions of the legislation. If we do not do that, Sir, then it is necessary constantly to call *ad hoc* meetings of the Legislature, with the cumbersome procedure of introducing Bills and taking them through all their stages, and the necessity for the prescribed publication of fourteen days. When urgency or elasticity is the essence of the contract then procedure through the Executive Council is manifestly the most convenient. But I would remind hon. Members that the imposition of a levy by order of the Governor in Executive Council is necessarily a public act. That order has to appear in the Gazette and will no doubt be taken from the Gazette into the official Press and therefore there is ample opportunity for this Council at any time fully to discuss the propriety of the action taken by His Excellency in Executive Council in this as in any other matter.

The proviso at the end of the clause has been attacked, just why I do not quite see, Sir, unless there is in contemplation the possibility of imposing a levy at a rate higher than 10 per cent. The deletion of that proviso would, of course, make relatively little real difference. It is an enabling Ordinance and the ultimate discretion is vested in Your Excellency with the advice of Executive Council.

The Noble Lord suggested that the schemes for a municipal provident fund had been abandoned for the year 1932. My information perhaps, Sir, is not quite up-to-date, but I understood that in one case at least they are seriously considering it at this moment with the hope of introducing it in the course of 1932. It was because I understood that was the position that I made the provision about the provident fund. If there is none, then of course these provisions are needlessly inserted, but I do suggest that it is better that we should have them there in case a provident fund does come along and the compulsory depositors will then have the benefit of that deduction from the amount of chargeable salary.

The hon. Member for the Lake, Sir, asked what the incidence of the levy in fact would be. This legislation is not to come into force until the 1st January, 1932, and between now and that date much water will flow under the bridges and circumstances may change, but I may say for the hon. Member's information that the present intention of Government is to impose a levy at the rate of 5 per cent on the first £1,000 of any chargeable salary and 7½ per cent on the balance of salary, which is estimated to produce a sum somewhere in the neighbourhood of £50,000. I would remind the



hon. Member of his own argument that the hidden emoluments amount to a greater percentage in the case of the lower paid official than in the case of the higher paid official and therefore the increase above £1,000, accepting that fact that the hidden emoluments are greater in the lower cases, does, I submit, equalize the sacrifice in a perfectly equitable way throughout the Service as a whole.

The hon. Member for Nairobi North is usually extremely accurate in any statement which he makes, but I do suggest, Sir, to-day that in his enthusiasm for the municipal council of the area, a part of which he represents, he has rather let his imagination run away with him and he did not quite strictly stick to facts because he told us that the Nairobi Municipality runs its own show and that the municipal servants were the servants of the municipality and in no sense servants of Government. I would merely refer the hon. Member to the provisions of section 87 of the Local Government (Municipalities) Ordinance, which applies to the Municipalities of Nairobi and Mombasa only. There, Sir, he will find a provision that "a sum which is equivalent to one-third of the annual emoluments of the Town Clerk, the Town Treasurer and the Town Engineer, respectively, appointed in accordance with the provisions of this Ordinance" shall be paid by the Government. There is perhaps a little more force in Government's attitude towards municipal servants than the hon. Member at first sight thought. I do not, however, propose, Sir, to pursue that argument further because it is essentially, I think, in the light of the trend which the debate has taken, a Committee point. If municipal servants should not be subject to this levy then, Sir, we can go into that much more conveniently and to our much greater mutual profit on the Committee Stage. There is, however, one point that I should like to cover—that if municipal servants, for the sake of argument, are to be subject to this levy there can, I submit, be no case for that portion of the proceeds of the levy going to anything but the general revenue of the Colony. This is emergency legislation to assist the Colony as a whole. It is ordinary municipal taxation, the proceeds of which invariably go to the central revenue. I can, I confess, see no argument whatsoever for infating the revenues of municipalities or other local authorities in a manner like this under a statute which will form a temporary, at least, part of the ordinary municipal taxation scheme of the Colony.

I am very grateful to the hon. Member for Nairobi North for voicing the feeling which so many of us share with him that the more junior paid official was apt to suffer twice under legislation such as this in that his travelling allowance and allowances of that sort to which he normally in the course of

his duties looked as part of his emoluments have been so badly cut, and I am happy to say, Sir, that it is Government's intention that as a result of this levy some further concessions should be made to junior officers in regard to travelling allowance, to those junior officers who not only are forced to travel a very considerable amount but who are at the present moment feeling the effect very severely in that their travelling allowances have been reduced to an almost negligible amount, but I can hold out to my colleagues in the Service no hope of any concession for other than the junior officers.

The point made by the hon. Member for Kenya that we were merely surrendering an increment has been so amply and ably dealt with by the hon. Member for Kikuyu that I need not add anything, nor, Sir, is it necessary for me, I think, to deal with the idealistic views of the hon. Member for Mombasa further than to beg him as man to man that he will see his way to produce those golden rabbits from his top hat a little earlier than the introduction of the Budget. I cannot see them too soon and I should hate to think that any delay in so producing them might possibly lead to their premature decease.

With the hon. Member for Plateau North's point, Sir, I think I have dealt. The Members who spoke later were uniformly in favour of the principle and I ask at this moment for nothing more than the acceptance of the principle and to thank hon. Members opposite for the congratulatory gesture—if I may use so strong a word—to the Government and the Service for the introduction of this legislation. It has been suggested that we were going to force this Bill through to-day—that suggestion has no foundation whatsoever, Sir. I have your authority, Sir, to inform hon. Members that if the second reading should result in the affirmative the further stages of this Bill will be postponed.

LT.-COL. THE HON. J. G. KIRKWOOD: Might I ask for the hon. the Colonial Secretary to reply to my queries with regard to clause 10?

THE HON. THE ACTING COLONIAL SECRETARY: I beg your pardon, Sir. With the indulgence of the House, I assure the hon. Member that it was inadvertent. I have a note of the hon. Member's point and I overlooked it. The provision of clause 10 is exactly similar to that which was inserted in July last year when this Council met in Mombasa in the Native Tribunals Ordinance. The object of that clause and the provisions of that clause amount to this, Sir—the measure is an emergency one and will in ordinary circumstances expire

automatically on the 31st December, 1933, but should circumstances justify its extension beyond that date then the proviso to that section enables that prolongation of the life of the Ordinance to be taken in a convenient way without necessitating the passing of an amending Bill through all its stages. The provisions have only application to the year—the statute will die after 1933; if it is necessary to bring the levy to a conclusion before the end of 1933, if circumstances warrant any such course, that, Sir, can be done under the provisions of clause 4. I apologise to the hon. Member, and I am glad he reminded me of that point.

**HIS EXCELLENCY:** The question is that the Levy on Official Salaries Bill be read a second time.

The question was put and carried.

#### THE LEVY ON SALARIES (TRANSPORT SERVICES) BILL.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I have already moved the second reading of the corresponding Bill for the Transport Services and I do not propose to say anything more about it. The provisions are in principle exactly alike and I take it the wish of Elected Members will be that a similar course be pursued with this Bill—that when the second reading is passed further consideration should be deferred.

**CAPT. THE HON. H. F. WARD:** Your Excellency, I would ask the hon. mover to clear up one point—it is purely a formal point—and that is why this legislation is required at all. I understand, Sir, that the position of the Kenya and Uganda Railways is that it is administered solely under Orders in Council and that the only jurisdiction this House has over it is to be allowed annually to criticise its Budget and to pass any resolutions it may wish. Therefore, it is not quite clear why this legislation should be necessary.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** There is one point, which is on the first page. This Bill is called "A Bill to enable a Tax to be Imposed, etc., whereas in the other Bill it is a "levy."

**THE HON. THE ACTING COLONIAL SECRETARY:** I think, Sir, I can deal shortly with both those points. If I may, I will take the Noble Lord's first. That is, I am afraid, purely an administrative inadvertence. The legislation was, as originally drafted for both Bills, to enable a tax to be imposed. The Right Honourable the Secretary of State for the Colonies, in approving the principle, suggested that he would like the word "levy" better. I then corrected both Bills accordingly.

but when the Bills were sent to the printer an old carbon copy was sent instead of a new one and I propose in Committee to move the substitution of the word "levy" for "tax."

The other point I think I can deal with quite shortly also. The Transport Order in Council provides that all legislation affecting the Railways and Harbours Administration has to be submitted by the Government which proposes to introduce it to the High Commissioner for Transport through the Railway Advisory Council, and that that legislation has then to be passed by both Administrations. The reason why separate legislation is requisite in this case, Sir, is that unless we have separate legislation the proceeds of the levy would go to the general revenues of the Colony. Further, we could not in this Legislative Council legislate in respect of the servants of the High Commissioner serving in Uganda; and so you would have differences between employees on the same grade on the entirely illogical and unscientific ground that one was serving in one Colony and another in another. There is separate provision in the Bill that the proceeds of the tax are to form part of the Railways and Harbours funds.

**HIS EXCELLENCY:** The question is that the Tax on Salaries (Transport Services) Bill be read a second time.

The question was put and carried.

#### THE SALE OF WHEAT (AMENDMENT) BILL.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to move the second reading of a Bill to Amend the Sale of Wheat Ordinance, 1930.

The object of that Ordinance, Sir, which became law last year, is to spread the loss incurred in the export of wheat over all wheat producers and, by pooling the wheat of all growers and then dividing it between the local market and the export market, to enable the best possible price to be paid to the grower. Section 15 (f) of the Ordinance provides that nothing in the Ordinance contained shall be deemed to prohibit the milling of wheat grown by the miller. Section 16 (f) of the Ordinance, Sir, was intended to apply only to small mills grinding wheat for the millers' own consumption, but attention has been called by the Kenya Farmers' Association, which is the agency under the Ordinance, to the fact that this privilege is being abused and that these small mills are buying wheat from neighbours and selling it as their produce, thus reaping the benefit of the local price without contributing to the loss experienced by legitimate registered mills on the proportion exported.

It is a fact that this practice is increasing and the Wheat Advisory Board is strongly of the opinion that it is being done to the serious detriment of the wheat farmers as a whole and, if allowed to continue, will do much to discount the undoubted benefit that the Principal Ordinance has conferred on the wheat industry. It is therefore proposed in this Bill to amend section 15 (f) of the Principal Ordinance to read: "Nothing in this Ordinance contained shall be deemed to prohibit the milling for his own domestic consumption of wheat grown by the miller," and this amendment will, it is hoped put a stop to the undesirable practice which I have outlined.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Sale of Wheat (Amendment) Bill be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I welcome the introduction of this Bill because, as the hon. and learned mover has said, there has been a certain amount of abuse under this particular section. It was necessary to protect the millers who came in under this Act so as to help the general good of the whole industry from unfair competition, but, Sir, I should like to give notice that in the Committee Stage I am going to move a further amendment, which I think will be acceptable to the House, and that is, that instead of the words proposed by the hon. and learned mover the section should read as follows:

"Nothing in this Ordinance contained shall be deemed to prohibit the milling of wheat by or for the grower thereof for his own domestic use."

The reason I am proposing this amendment is that it has been pointed out that while the original amendment before the House does enable a miller to mill his own wheat for his own domestic use it does not enable him to do it for his neighbours. In the Rules it has been provided that they can become sub-agents for the agency and they can get permission to grind so many bags for their neighbours, but since that was agreed to, Sir, we have been urging through the Wheat Advisory Board that in the present state growers of wheat should give wheat posho rather than maize and wheat meal rather than maize meal to their employees; and it makes it a little bit difficult for the mills to do that in any quantity. I am proposing, therefore, for the acceptance of this House, the alternative amendment which I think covers all the small growers and protects them from any hardship and which I think will meet all the requirements of the situation, Sir. I hope, when the Committee Stage comes that that amendment will be accepted.

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HIS EXCELLENCY: The question is that a Bill to Amend the Sale of Wheat Ordinance, 1930, be read a second time.

The question was put and carried.

THE HON. THE ACTING ATTORNEY GENERAL: Sir, I beg to move that this Council now resolve itself into a Committee of the whole Council to enable the 1930 Supplementary Appropriation Bill, 1931, and the Sale of Wheat (Amendment) Bill to be considered clause by clause.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

The question was put and carried.

The Council went into Committee.

#### In Committee.

THE 1930 SUPPLEMENTARY APPROPRIATION BILL.  
The Bill was considered clause by clause.

THE SALE OF WHEAT (AMENDMENT) BILL.  
The Bill was considered clause by clause.

Clause 2.—Amendment of section 15 of the Principal Ordinance.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I beg to move that clause 2 be deleted and the following clause substituted therefor:—

"Paragraph (f) of section 15 of the Principal Ordinance is hereby deleted and the following substituted therefor:—

"(f) the milling of wheat by or for the grower thereof for his own domestic use."

The question was put and carried.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move that the 1930 Supplementary Appropriation Bill be reported to Council without amendment and that the Sale of Wheat (Amendment) Bill be reported to Council with amendment.

The question was put and carried.

#### The Council resumed its sitting.

HIS EXCELLENCY: I have to report that the 1930 Supplementary Appropriation Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council without amendment, and that the Sale of Wheat (Amendment) Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council with amendment.

#### THIRD READINGS.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to move the third reading and passing of the 1930 Supplementary Appropriation Bill and the Sale of Wheat (Amendment) Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bills were read a third time and passed.

## SECOND READINGS.

### THE ENTERTAINMENTS TAX BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, hon. Members will see on the Order Paper for to-day the Entertainments Tax Bill, on the second reading of which progress was reported. On that occasion, Sir, I gave an undertaking that the final stages of that Bill would not be taken until the Budget was discussed. From that undertaking, Sir, I am not in any way endeavouring to recede but there did arise in the course of the debate, Sir, the question as to whether the provisions of the Bill did not impose a tax on those taking recreation, playing such games as tennis and golf, and on that occasion, Sir, I undertook carefully to examine the provisions of the Bill and, if necessary, so to amend them as to make it clear that persons playing a game were not subject to tax. I have done that, Sir, and though I am bound to say that I did not myself read that implication into the provisions, I have, as hon. Members will see from the Supplementary Order Paper, given notice of certain suggested amendments, and it is in the hope that I may have two or three minutes, Sir, in which to explain exactly what those mean that I put the Entertainments Tax Bill on the Order Paper for to-day and have intervened in this way at this moment.

Hon. Members will observe that instead of having merely a definition of "payment on admission" the Bill has now been expanded to cover, firstly, a definition of "admission", which is limited to admission as a spectator or one of an audience, thereby, of course, Sir, cutting out the participants in any entertainment or in a game of tennis or a boxing exhibition or anything you like—the actual participants in it will not be admitted and therefore they are in no way subject to the provisions of the legislation. But in order to conserve the position with regard to dances—because even the least terpsichorean of us flatter ourselves that we go to dances to take part in them and not to look on—a proviso has been added to the definition "provided that every person who pays for admission to a dance shall be deemed to have been admitted as a spectator." The second amendment, Sir, to clause 6 is purely consequential. The admission on payment in that clause, which compels the actual payment of the tax, would embrace everyone, either spectator or player, under this

definition, so now we are limiting the provisions of that clause to persons admitted, that is to say, to spectators or members of an audience, except again in the case of dances. The third amendment is that which I endeavoured briefly to indicate on the second reading that where a payment is made, an all-in payment is made, say for a dinner and dance, it is competent to the Treasurer to say of that aggregate sum so much is paid in respect of the dinner and so much in respect of the dance and the tax will then be payable on that portion which represents admission to the dance.

I am grateful to hon. Members, Sir, for giving me this opportunity and I would suggest, Sir, that in the light of that explanation hon. Members might be prepared now formally to accept the second reading on the understanding that the further stages will not be taken until a later stage of this session.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I am afraid we shall have to vote against it.

THE HON. THE ACTING COLONIAL SECRETARY: I am not pressing it, Sir.

Progress was reported.

### THE TRAFFIC (AMENDMENT) BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Amend the Traffic Ordinance, 1928, be read a second time.

The genesis of this Bill, Sir, in its printed form, can be explained very shortly indeed. It deals with only two points. The first is what is a motor cycle? The second is the question of the insurance provision.

The first point I can deal with quite briefly, Sir. The existing law defines a motor cycle as "a motor vehicle designed to travel on not more than three wheels and having a tare weight not exceeding three hundred pounds." In practice it has been found that many motor cycles—because we all know exactly what is and what is not a motor cycle—have a tare weight of considerably more than 300 lb. There are big, heavy machines—in fact, in some parts of the country nothing but a big, heavy machine is at all likely to stand up to the wear and tear to which it must inevitably be subjected. Strictly speaking, the large machines were not motor cycles in the eyes of the law. They were motor cars and they should have paid the licence duty applicable to motor cars. That is

not the end of the complications, Sir, because there is no weighbridge and the Treasury, who are the Department ultimately charged with the collection of this revenue, have no means of deciding whether any particular vehicle which may be brought to them has a tare weight of over 300 lb. or not. I repeat, Sir, we all know what is and what is not a motor cycle and we know that whatever the law may say a motor cycle is not a motor car, and so it is proposed, Sir, to substitute another definition: "Motor cycle means a motor vehicle designed to travel on two wheels and includes a motor vehicle designed to travel on three wheels which has a tare weight not exceeding three hundred pounds." That is to cover such cases as an auxiliary engine put on to an ordinary bicycle or a motor bathchair and things of that sort. An ordinary motor cycle is a motor cycle now irrespective of its weight.

The second point, Sir, I can explain still more briefly. In the Carriage of Goods by Motor (Control) Ordinance which became law a few months ago the provisions regarding insurance were brought up-to-date and into line with the provisions of the 1930 English Act. The provisions in the Traffic Ordinance had always been very unsatisfactory in practice and very difficult to work indeed. At the time that the Carriage of Goods by Motor (Control) Bill was passed I indicated to Council, Sir, that it would be necessary to effect a corresponding amendment in the Traffic Ordinance, and that is now being done, Sir.

But, Sir, I would remind hon. Members that earlier this session notice was given on the Order Paper of certain small amendments to the last proviso to sub-clause (2) of that clause. They are purely formal, Sir. The clause was unfortunately copied a little too strictly from the English legislation which gives the alternative either to effect a policy of insurance or to get security from someone else, some approved person in an approved sum. We have no such thing as security in this country in this connexion and therefore the references to security are unnecessary and have been cut out.

The reason for clause 4, which ante-dates the second clause of this Bill to the 1st January, 1929, is purely academic, Sir. The law has not been strictly observed; for the reasons I have given we have not been able to say what is the tare weight of a vehicle and inasmuch as that is so, Sir, it is better that this provision should ante-date to the date of the introduction of the Principal Ordinance so that such things as audit queries may be avoided. So much, Sir, for the printed Bill.

Hon. Members will see on the Order Paper for to-day notice of a further amendment, for the insertion of a new clause to be numbered 12a. That, Sir, gives statutory effect to a recommendation in that Report which was laid on the Table this morning that there should be introduced in the Colony a system of annual driving licences at a fee of Sh. 5 each. That is the reason for that clause, Sir. Personally, I have never served in any Colony, I have never driven a car in any part of the world, where that provision was not in force, and I do suggest, Sir, that a small sum like Sh. 5 a year is not going to be a very heavy additional burden on any motorist. That is all that this involves, Sir. The other provisions, the provisions for carrying the licence about with you, the fee for renewal and so on are exactly analogous to the existing provisions in the law relating to certificates of competency. There is nothing new apart from that. The only point for consideration is are we or are we not to have an annual drivers' licence for which an annual fee of Sh. 5 is payable?

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Traffic (Amendment) Bill be read a second time.

THE HON. CONWAY HARVEY: Your Excellency, although I find myself completely in agreement with the first portion of the hon. and learned mover's remarks, I intend to vote against the second reading of this Bill owing to the new amendment introducing a brand new principle, which has been thrown out for the first time at the eleventh hour. We have had no proper time in which to consider it, Your Excellency and even if we had, I should still oppose it personally on the grounds that in my humble opinion now is not the time for increased general taxation in any shape or form. The learned mover, Sir, states that an annual drivers' licence is almost universal. Nevertheless it is distressing and we do not want increased taxation at the present time in any shape or form, and I suggest, Sir, that as Kenya is singular in other respects why should it not be singular in being the one Colony in the world which has no annual drivers' licence? There is a difference, Sir. The motorist in Kenya is already far more heavily taxed than motorists in other parts of the world. In the first place he has to pay a very substantial duty on his car, secondly, he has to pay a substantial amount for his certificate of competency, he then has to pay what is known as a petrol consumption tax, a heavy duty on petrol and a most exorbitant charge for gas generally. I suggest that is quite sufficient for the motorist to pay.

This is quite definitely a tax on industry. Motoring in these days, as everyone knows, is not a luxury in any shape or form; it is a matter of sheer necessity and I think it is little short of an outrage that the farmers and industrialists of this Colony, many of whom are now living on posho because they cannot afford bread and butter, should be asked to pay more taxes. I intend, Your Excellency, to oppose this proposal at every stage.

CAPT. THE HON. H. F. WARD: I am afraid my views, Your Excellency, are rather different from those of the last speaker in that I feel we should submerge our feelings as far as we possibly can in this matter. My objection to the amendment proposed is exactly the same as my objection to the Entertainments Tax Bill. I should have thought, Sir, that if the hon. mover had admitted that he was placing the cart before the horse in introducing the Entertainments Tax Bill he is equally putting the cart before the horse in introducing this amendment until we have seen the Appropriation Ordinance and the proposals of Government for 1932. If this is introduced at this stage, Sir, I must vote against it for the same reason that I must vote against the Entertainments Tax Bill, but if the Appropriation Bill is right in my view, then, Sir, I shall accept any reasonable form of increased taxation that I can.

THE HON. THE ACTING COLONIAL SECRETARY: I would like to say, Sir, that I took this Bill last at fifteen minutes before one o'clock because I did want to give an opportunity for discussion. But it has died rather more rapidly than I expected, Sir, and with the leave of the House I will move that progress be reported. It will at least save a little time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Before we adjourn, could we be told what the business will be tomorrow?

THE HON. THE ACTING COLONIAL SECRETARY: The present intention, Sir, is to open with the motion for the approval of the Railway Estimates.

*The Council adjourned till 10 a.m. on Thursday,  
3rd December, 1931.*

THURSDAY, 3rd DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Thursday, the 3rd December, 1931, HIS EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 2nd December, 1931, were confirmed.

#### MOTION.

REPORT OF SELECT COMMITTEE ON THE NATIVE CHRISTIAN MARRIAGE AND DIVORCE BILL.

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGRUGOR, K.C.): Your Excellency, I beg to move:—

“That the Report of the Select Committee on the Native Christian Marriage and Divorce Bill be adopted.”

The Report, happily, Sir, is a short one and it embodies in its recommendations nothing more, speaking generally, than those amendments which I commended to the favourable consideration of Council when moving the second reading of this Bill. Hon. Members will recollect that those amendments affected three clauses only of the Bill: clause 5 dealing with consent, in which it was suggested that special machinery for consent being given by Provincial Commissioners should be inserted; clause 10 dealing with the status of native Christian widows and their rights of guardianship over their children, where it was suggested that that right of guardianship should subsist only so long as the widow remains a Christian; and thirdly, Sir, in clause 11, which deals with the dissolution of marriages, where it was suggested that that power, the special additional power to grant decrees of dissolution of marriages should be confined to magistrates of the first class. Those three suggestions, Sir, are recommended by the Select Committee. There is a fourth, Sir, which is a very small one indicating merely an obvious omission from the printed Bill—that is that the power to dissolve marriages should be granted not only in the case of marriages celebrated under the provisions of this Ordinance but also under the provisions of the Native Christian Marriage Ordinance which is

repeated by this Bill. Those, Sir, are the recommendations: they are, I hope, in the light of the trend which the debate on second reading took, entirely non-contentious, and therefore, Sir, I formally move the adoption of that Report.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second.

HIS EXCELLENCY: The question is:—

"That the Report of the Select Committee on the Native Christian Marriage and Divorce Bill be adopted."

The question was put and carried.

### BILL.

#### THIRD READING.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that the Native Christian Marriage and Divorce Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

### MOTIONS.

#### RAILWAY SUPPLEMENTARY ESTIMATES, 1930.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS (BRIG.-GEN. G. D. RHODES): Your Excellency, I beg to move:—

"That the Kenya and Uganda Railways and Harbours Supplementary Estimates, 1930, be approved."

I do not think, Sir, that I need take up much of the time of the House in introducing these Supplementary Estimates, the more so as they refer to a year that has been passed some considerable time and also because they refer to figures and statements that have already been before this House and before the general public in the Annual Report in a very complete form. These Estimates are rendered necessary, Sir, chiefly because of the shortfall in revenue that occurred last year, but there are various other points in the Supplementary Estimates which have been fully detailed in the memorandum accompanying the document. I do not think, Sir, that at the present moment they require any further explanation from me but if there are any points upon which hon. Members would like to have further information I shall be only too glad to try and provide it. The Supplementary Estimates

refer to three headings in the accounts only: the Railway's Net Revenue Account, the Combined Net Revenue Account, Railways and Harbours, and Abstract "M"—Estimate of Expenditure from Renewals, Betterment and Insurance Funds (Lake Marine Section). All the other heads of the accounts, Sir, are covered by the ordinary Estimates of the year and are therefore not dealt with in the Supplementary Estimates. I beg to move the motion standing in my name.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is:—

"That the Kenya and Uganda Railways and Harbours Supplementary Estimates, 1930, be approved."

The question was put and carried.

#### RAILWAY ESTIMATES, 1932.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Your Excellency, I beg to move:—

"That the Estimates of Revenue and Expenditure for the Kenya and Uganda Railways and Harbours for the year 1932 be approved."

Your Excellency, before coming to the subject of this motion, it will perhaps be of advantage if I briefly review the present financial position of the Railways and Harbours Administration so far as it is now known.

Hon. Members will remember that a very detailed Annual Report has been published, giving the results of working for the year 1930. Some of the main points dealt with in this Report are as follows:—

Attention was drawn to the very serious drop in average receipts per ton mile that has been taking place during the last two or three years. It was shown that this tendency was due to the very rapid increase in the tonnage of low-rated commodities as compared with traffic in high-rated commodities. It was pointed out that this tendency, if continued, might force the Administration into financial difficulty.

Satisfactory efficiency figures, both for the Railway and the Port, were published, showing steady improvement in all branches of operating with a resultant decrease in unit costs. Finally, the result of the working of the services for the year showed a loss of £83,000. This loss was met from a Reserve Fund of £100,000 which had recently been created.



This result, together with a tendency which showed itself towards the end of the year for revenue to drop still further, forced upon the Administration the early consideration of economy measures. On my return from leave in November last year, instructions were immediately issued that no new expenditure of any sort was to be incurred. At the February meeting of the Railway Advisory Council this year, proposals were submitted, showing drastic cuts in expenditure in all directions. Following the policy then approved, further economies and reductions were carried out in April.

As the effect of these reductions became more apparent and as the continued drop in Revenue became more pronounced, it became possible to suggest still further reductions in August of the present year. The result of these reductions has meant drastic curtailment of work in all departments. It has also meant the retrenchment of large numbers of staff of all grades.

It has been suggested in some quarters that, in an emergency of this sort, retrenchments should not be carried out, but that the necessary savings should be found by reducing the salaries of the staff and so retaining in employment as many as possible. I should like to make it quite clear that in the present emergency such a policy would have yielded entirely inadequate results. This perhaps will be evident from a consideration of the following figures.

The estimated Earnings for the present year are likely to be little more than £1,650,000, i.e. no less than £700,000 below the Estimates prepared last year. By the exercise of the most drastic economy, working expenditure will be reduced below the estimate to the extent of £350,000. The contribution to the Renewals Fund on account of depreciation, in view of the recent rulings of the Secretary of State will be £50,000 above the Estimate, while Loan Charges, due to the curtailment of Capital Expenditure, will be £40,000 below the estimate. Instead of a credit balance of £50,000, as anticipated in the Estimates, we shall have a nett loss of £280,000. If we add to this figure the sum of £70,000, which is the anticipated loss on the year's working at the Port, it will be seen that we have to face a loss of not less than £350,000, a sum slightly greater than the total contribution to the Renewals Fund on account of depreciation.

A comparison between these figures and those of 1930 shows the rapidity with which the present business depression has overtaken the Railway Administration. A drop of £700,000 in the Earnings in one year is a very serious matter for a Railway of this size. A loss of £350,000 at the end of the year, following on a small loss on the previous year,

means that the Administration must be prepared to find considerable sums of money in repayment of these losses before any expenditure on extensions and any new capital commitments can be undertaken.

It is, of course, unnecessary for me to say that all works, whether Renewals, Betterment or Loan Accounts, that could be stopped without loss have been discontinued. It will be seen, therefore, that, quite apart from further losses that may occur in the coming year, it is probable that it will be at least five years before the Administration can fully repay these losses and contribute satisfactorily to a Reserve Account, i.e. it will be at least five years before a progressive development policy can again be embarked upon.

Accordingly, it became necessary to re-design the organization on a maintenance basis only. It will perhaps be realized by hon. Members that this represents a complete reversal of the policy that has been in force during the past eight years. Taking the Engineering Department, for example, it may be stated that that department has been responsible for expenditure on maintenance, renewals, betterment and loan programmes of an average of £2,000,000 per annum. For the next five years this department will be responsible for a maintenance programme only, when it will be an event to build a house.

Similarly, all other departments will be affected in a proportionate manner.

Of necessity, such a reversal of policy means that a large number of our staff can no longer be economically employed owing to the fact that there will be no work for them to do. In these circumstances, it will be agreed that it would have been quite impossible to keep such staff on our pay rolls by a policy of reductions in salaries. There was no alternative but to issue notices to all supernumerary staff under the new conditions.

Hon. Members will realize that after years of building up, a policy of this sort is a most difficult one to inaugurate and a most unpleasant duty to carry out. As hon. Members are aware, it has involved the retrenchment of over 100 Europeans, 400 Asiatics and many thousands of Africans. In many cases senior officers, whose names are well known to hon. Members, have had to go and in this connexion I would mention Mr. Goodship, Mr. Neilson, Commander Jenkins and Mr. Carter, as among those who have served the Administration and the Colonies for many years, but who have had to be retired earlier than would otherwise have been the case.



In connexion with this re-organization, I should like to take this opportunity of thanking all Heads of Departments and other officers for the remarkable co-operation and assistance that they have given the Management at all times in bringing about the reductions that have been carried out; without their complete support, it would have been impossible to have achieved the results that have been obtained.

Turning now to the Estimates for 1932, I would state at the outset that these are in the nature of a report of progress upon the work that has been going on during the whole of the present year in cutting down expenditure. It is obvious that in all economy campaigns, such as that referred to above, the full results cannot always be obtained in the year in which economy measures are initiated. It will be seen from an examination of the Estimates now before this Council that on the Railway side there is a reduction of not less than £454,000 on the Working Expenditure, as compared with the estimate for 1931. On the Port side, there is a reduction of £96,000, so that, taking the two organizations together, we show a total reduction of £550,000. This will, I hope, be recognized as a very creditable effort.

After the closest study of the results of each step that has been taken during the present year, I am of opinion that very little more can be done as regards cutting expenditure. The present figures already indicate a loss of efficiency and a lower standard of maintenance; to go any further would be extremely dangerous.

It will be noted that, included in these reductions is a sum allowing for a levy on salaries and wages. Under present conditions this levy will be loyally accepted by the staff of the Administration, but I am I think justified in making this point that the introduction of a principle of this sort renders it more than ever incumbent upon the Railway Administration to see that its business is conducted on sound Railway lines, as distinct from what may be described as political lines.

Turning now to the Revenue side, it may be stated that with the approval of Railway Council we have budgeted for a revenue of £1,850,000, equivalent to the probable earnings during the current year. As this figure would not bring down the anticipated loss for the coming year to reasonable proportions, it has been found necessary to find additional revenue to the extent of £80,000 by means of certain increases in rates. It is not advisable to indicate at the present moment exactly what form these increases will take, but I may perhaps state that they have received the fullest possible consideration by the Railway Council and that they take the

form of rectifying certain anomalies that have shown themselves in our present Tariff Book, the partial withdrawal of certain concessions to passenger traffic and the partial restoration of rates on certain commodities which have received the benefit of reductions during the past three or four years. It is felt that these increases will bring the additional revenue required, without unduly penalizing the general public and without increasing rates which are already on the high side. I trust it will be recognized that the Railway Administration understands that at times such as this any increase in rates will prove unpopular, and to some extent a hardship. Such a proposal has been put forward only after every possible reduction in expenditure had been carried out. I think, however, in the circumstances, that we have been particularly fortunate in being able to advise that a comparatively small sum only should be obtained by this method.

It will not be necessary at the present stage to give detailed explanations with regard to the Budget, as it appears in the printed Estimates before Members. The main reductions in Expenditure are, I think, clearly shown in the memorandum accompanying the Estimates.

It will be seen from the Combined Nett Revenue Account on page 7 of the Estimates that the loss on the combined services is estimated to be £162,263. This loss accrues after making a contribution on account of depreciation on the Railway Services of £324,000 and on the Harbour Services of £26,000. It is necessary to make this point quite clear, as on many other Railways at the present time it has been found necessary to discontinue altogether contributions to a Renewals Fund. In our case, however, owing to the very much reduced balances shown in our various Funds, as given in Appendix I on page 79 of the Estimates, it is not possible to contemplate interfering with this contribution. It will be seen that a Deficit Account has been opened, which, allowing for the loss on the present year and for the estimated loss during 1932, will show a total deficit of over £500,000 at the end of next year. It will be realized that the whole of this sum must be made good, together with an almost equal sum to be contributed to a Reserve Account, before the finances of the Administration can be said to be again entirely satisfactory.

It will be recognized, therefore, that during the next few years the most careful attention must be paid to all expenditure of a non-productive nature. It will be evident that loan charges which are already very high for a Railway carrying so little traffic, must not be increased in any way. It will be clear too why the Railway Administration cannot for a

moment contemplate taking on any further liabilities in the way of new Railway extensions or Branch Lines. If projects of this nature are to be undertaken, they can only be carried out with complete guarantees from the Governments concerned.

Leaving the Estimates now until an opportunity has been given to hon. Members to ask questions and to raise any points which may occur to them, there are a few matters upon which I may give additional information.

It will interest hon. Members to hear that the new service on the Kagera River, serving a promising area in the south-west of Uganda and providing an outlet also from the northern sections of the Belgian Congo territory of Ruanda, has been introduced. A new tug, fitted with modern Diesel engines has been erected and is now working this service. While it is anticipated that the traffic will not be heavy to begin with, it is hoped that the traffic will grow rapidly as soon as times improve. There are large mineralized areas served by this route and the Belgian authorities also have displayed considerable interest in it.

As stated the other day, the Yala Line is being extended to Butere and this work should be completed and handed over to Open Lines next month.

I also explained that the proposed Donyo Sabuk Branch has been abandoned for the present owing largely to the unsatisfactory condition of the sisal industry, due to the present depression in prices.

On the other hand, a detailed survey of the Kericho Line has been completed and estimates are now under preparation. The case for this line will be prepared and will be submitted to the Kenya Government for consideration.

As already explained, it will, however, be quite impossible for the Railway Administration to incur any financial responsibility in this connexion.

Hon. Members will remember that earlier in the year, following on the figures given in my Annual Report with regard to low-rated commodities, I stated that a careful inquiry was being carried out in connexion with maize traffic. A comprehensive memorandum, containing full details of the cost of this traffic was submitted in July to the Railway Council and to a Kenya sub-Committee of that Council for examination. This memorandum has received the closest possible consideration, not only in the Colony, but also outside and the Kenya sub-Committee appointed by Railway Council reported recently that they were fully prepared to accept the

cost figures in it. It may be stated that this memorandum confirmed the indications that had already been given in my Annual Report, with regard to the cost to the Administration of carrying the maize crops. It has been ascertained that low-rated commodities now compose no less than 33 per cent of the total traffic of the Railway. It becomes abundantly clear, therefore, from these figures why the average receipts referred to at the beginning of my speech have been dropping very seriously.

The inquiry has established that the Administration has been giving an express service to the maize industry costing far more than the revenue that has been obtained under the present rates. It has become clear that it is impossible for the Railway to continue giving an expensive service of this sort without unduly penalizing other traffic. On the other hand, it has been found that, provided the industry can so arrange its movement as not to create peak traffic, an average rate of Sh. 15 will just cover direct haulage costs.

It was also shown that cotton seed is paying a non-peak rate and is entitled to equal consideration with maize. On the present basis of traffic in a normal year, it was demonstrated that some 170,000 tons of low-rated non-peak traffic could be handled. A sub-committee has been appointed from the Railway Council to go into the question of the allocation of this tonnage as between maize and cotton seed with the industries concerned. It is hoped that some equitable division will be arrived at which will reasonably meet the needs of the two industries.

It is satisfactory to note that this solution of the maize problem was agreed to unanimously by Kenya and Uganda members of Railway Council and it is hoped, therefore, that this bone of contention has now disappeared for ever. It will be realized that the argument underlying the agreement is based upon the fact that a Sh. 15 rate covers direct haulage costs only, i.e. the cost of fuel, oil, water, running allowances, etc., but excludes all costs in connexion with loan charges, management and even the salaries of the staff employed on the trains. It is obvious, therefore, that all these items have to be covered by the requirements of other commodities. It is realized, however, that so long as out of pocket costs are met, with something, however slight, in addition, that the maize industry is of value not only to the actual participants in the industry, but also to all other users of the Railway.

The Railway Administration itself will no doubt be confronted when the time comes with urgent demands for trucks and engines, but it is necessary to ask for the full co-operation

of the industry to enable us to work the traffic under the non-peak conditions which must necessarily follow from a rate of Sh. 15. It may be stated that this average rate of Sh. 15 will mean a rate of Sh. 13/30 on the Main Line plus the usual Branch Line charges where maize is hauled over a branch. I trust that, while the industry may find itself in some difficulty with regard to the spread over arrangements that are necessitated by this condition, it will be realized by everybody that the fullest possible consideration has been given to this question during the past three years and that the present settlement has been accepted unanimously after the closest investigation as the only possible solution of a most difficult problem.

As recently explained to this House, I am profoundly disappointed in the working of the Carriage by Motor (Control) Ordinance owing to the number of licences that have been issued.

Very strong clauses regarding the need for applicants to show a case for public advantage or convenience exist in the Bill, but apparently, in spite of our representations, the Board considers a good case has been made out by the applicants in this respect. From the Railway point of view, judging by the number of licences issued, the Bill has entirely failed in its object.

If licences are worked as indicated by applicants, the number of licences issued to date represents a possible loss of £40,000 per annum, allowing only eight months working in the year.

If, in actual practice, traffic by lorry to this extent eventuates, the Administration must deal with the problem immediately in the only way left to it. In this connexion I may perhaps be allowed to quote one paragraph of my reservation when signing the Report of the Select Committee on the Bill:—

"The Railway Administration, if a free agent, would require no assistance to meet legitimate competition, but it is in the general interest of the country at present that certain commodities should be carried at very low rates, while others must be carried at correspondingly high rates. Were it not for this fact, motor competition would be destroyed, as stated at the end of paragraph 7 of the Report. Because of this fact, and because for a few years more such a policy is necessary and in the interests of the country as a whole, wasteful road competition with the Railway must be completely eliminated. Any failure to do this will force an immediate alteration in rates policy."

This question will be put before Railway Council at their next meeting early in the new year.

As will now be clear, the whole of our efforts during the present year have been devoted to the task of reducing establishment and cutting down expenditure. During next year, we shall be engaged in endeavouring satisfactorily to meet the needs of the public with a much lowered capacity. We shall only be able to provide what may be termed pioneer services. As for the moment the country can afford nothing better, I trust we can rely upon the full co-operation of all concerned, and a sympathetic judgment upon our shortcomings.

Finally, I must again point out what I have frequently stated in my Annual Reports—we require more traffic. I note with great satisfaction the attention that is being given to development by both Governments.

I hope those few words will provide a picture that may help hon. Members opposite to appreciate to some extent the meaning of a large number of figures included in this Budget. I would only add that in accordance with my personal endeavour I shall be only too glad to give all the additional information which Members may require to the best of my ability following the debate. I now beg to move the motion standing in my name.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is:—

"That the Estimates of Revenue and Expenditure for the Kenya and Uganda Railways and Harbours for the year 1932 be approved."

COLONEL THE HON. W. K. TUCKER: Your Excellency, it is usually the case that the better a man knows his subject the better he is able to speak upon it, but when one is a member of the Railway Council, whose proceedings are naturally confidential, a member of it suffers considerable disability in deciding what he can properly state in a public speech and what shall be left out. However, I will endeavour to be discreet, Sir.

The comprehensive and lucid speech just delivered is very characteristic of my hon. and gallant friend who, in his public speeches and in personal interviews, disarms everyone by a suavity, a sweet reasonableness and an understanding of the other fellow's point of view, qualities which some of us find it rather difficult to trace always when the hon. gentleman

sits down to write his Annual Reports or other similar provoking documents. He has been a target for much criticism since he accepted his present office. I am afraid that I have been amongst his critics, but any major criticism I feel this morning is tempered by appreciation of the very thorough way in which he has got down to the wholesale reduction of expenditure as disclosed by this Budget, something to which he devoted the whole of his time once he realized its necessity. I do not think, Sir, that I shall discount that praise when I ask him to agree that pressure from the Railway Council has been in no small degree responsible for the standard of the Budget that he has now presented. It is little more than three months ago that we were presented with a printed Budget which intended to spend during the year £1,610,000, while the figure submitted to this House to-day of £1,468,000—or a reduction of £170,000—shows, when added to the £220,000 of drastic economies effected last February, a very real appreciation of the situation and an indication of the work performed. Examination of the history of this Railway, Sir, during the post-war period indicates how impossible it has been adequately to provide for the emergency which now besets us or in fact to adopt that long range policy which is responsible for the success of joint stock railway companies throughout the world. I refer to the provision of really large reserves. Following the years, Sir, when the Railway was bled dry by the finances of the Colony, it did embark in 1922 upon an era which can broadly be described as very low rates for exports with correspondingly high rates for imports, such rates to operate until such time as the Administration were able to overtake the arrears of repairs and renewals for which the Railway was so much crying out. But by the time those had been overcome, Sir, those people who had for the time being willingly subjected themselves to the high rates on imports created increasing pressure upon the Administration to a point where the immediate situation had been partially recovered and it did seem to us that a moral case had been created for reductions more or less all along the line. In our laudable ambition to reward the patience that those people showed I am not quite sure, in the light of events, that we did not go too far, that we did not change the ratio as between exports and imports out of all proportion to what the situation allowed, but that is being wise after the event. Now, Sir, apart from the general falling off in traffic due to the locust infestation, and the world depression, I think the Administration have grounds for serious disappointment under certain specific heads. It is in no offensive spirit that I say despite lip-service and many promises the Railway has been desperately disappointed in the failure to develop native production to the extent which everyone expected when the main

part of the capital expenditure was incurred by the Railway in those developing years. Secondly, Sir, the Uganda cotton crop has for one reason or another failed to make that steady increase year by year into the vicinity of half-a-million bales which we were authoritatively told would be the case on many occasions. The third principal factor has been the growing dimensions of the interest and sinking fund charges which, while entirely provided for under normal circumstances such as we experienced between 1924 and 1928 when there was a steady increase of from 10 to 14 per cent in the production of both Colonies, those charges, Sir, have become a crushing burden on the traffic now passing. One further point under that head is the insistence of the Secretary of State on our putting aside 2½ per cent per annum for depreciation in the teeth of the convincing and voluminous report of our own departmental committee who satisfied us all that 2 per cent was prudent and would entirely meet the needs of the case. I am afraid it is one of the penalties of living under Crown Colony Government. It seems to me one could only liken it to the case of the parent who insists that his boy out of his pocket money shall provide for the financing of his great grandchildren. It is indeed a burden, Sir, to place upon the pioneering generation. Pursuing that point a step further, I repeat what the hon. the General Manager said that that represents £66,000 per annum, and I do desire to express the hope that if the Adviser on Transport foreshadowed in the recent Joint Parliamentary Report materializes he will take up the cudgels in our behalf and will be successful in convincing the Secretary of State where we have failed. I should like to say, Sir, that section 13 of the Railway Ordinance imposing on the Administration the need for reasonable reserves has been everlastingly before us. After fully calculating the growing interest not merely of the current year ahead of us, and, in fact, after making some special provision, there did seem justification for the Railway Administration and for the Railway Council to make a periodical reduction in rates which, as is known to this House, have in the aggregate represented no less than £300,000 per annum less to the Railway than as though they had retained the rating policy which obtained in 1925. I repeat, Sir, those reductions may have been too rapid, but at a moment when the community is asked, as they have been asked this morning by the hon. gentleman, to face material increases, I do think that community should recognize to the full that during these years of rapid relative prosperity they have in fact enjoyed the £300,000 per annum referred to.

There is an old saying, Sir, that "it is an easy grade for those who descend and stony paths and steep for those who

mount." The same saying, I prophesy, the Railway Administration will experience in no small measure in the near future so far as their application of rising rates is concerned.

Now, Your Excellency, in introducing this motion the hon. gentleman, for the good reasons he stated, did not disclose how he proposed to raise this £80,000, so that I am precluded either from referring in detail or criticizing whatever may in your wisdom be decided, Sir. Nevertheless, I think it appropriate and in order, Sir, to recite to this House one basis upon which this money could be raised and which has been strongly recommended by one of the most influential organizations in this country. Premising first of all, Sir, the rating policy—excepting for the moment the vexed question of the maize rate—the Railway tariff of 1922, adjusted from time to time according to experience and the traffic which emerged, does in fact stand to-day as a very fair incidence of rating policy for all the traffic involved. Premising secondly, that the Adviser on Transport just referred to is likely to come before very long and that he should have a clear field, and further premising, as we all hope will be the case, that this depressing crisis through which we are passing is but a temporary matter, then those friends of mine, Sir, who are entitled to consideration, advocate that the right way to set about it is to impose a surcharge of so much per cent, whatever is required on all the traffic of the country, possibly excepting passenger and export rates.

One other word on that subject, Sir; we do hope that it would have the further advantage of fluctuation at any moment in the near future if conditions improved or it could be abolished by a stroke of the pen, when the whole Railway Council policy for a number of years would remain unimpaired.

The details of this Budget, Sir, speak for themselves and there are only three points—no, two important ones, upon which I would like briefly to dwell. In the first place I would like to comment on the apparent inability of the hon. General Manager to contribute to a more favourable balance of trade by heavily reducing his purchases from overseas. As an instance, Sir, it has been felt that at a time when the traffic is so depleted it might be possible to put the high-powered engines which can run on coal alone into cold storage for the time being and arrange for the traffic to be carried by the smaller engines, which can be run on wood fuel and wood fuel alone. Had that been possible, Sir, many thousands of pounds would have remained in this country which will otherwise have to go out, much employment would have been given to natives in need of work and the spending power of the community would have been correspondingly increased.

Another point, Sir, which I do not regard as a small one, is the delay in learning how many thousands or hundreds of thousands of cubic feet of office accommodation can be offered to other Government Departments in the Railway Headquarters, bearing in mind first of all that the Railway staff itself must be a heavily depleted one for some years to come, and secondly, that for no other reason than that we believed that other Government Departments were going to occupy these premises—for no other reason than that was a third story built on that edifice, costing somewhere I suppose within the region of an additional £50,000. The original plans, Sir, so far as I know, not only provided generous accommodation for the staff of 1928, far above what it is to-day, but made allowance for a very considerable expansion, and I do therefore urge the hon. gentleman—who may have done a great deal more than I have been aware of—to pursue that matter, not merely in the interests of the Railway but of Government itself. I feel, Sir, that the same point may reasonably arise next week under the Public Works Department vote, and furthermore, I believe that close examination of this problem might conceivably have quite a bearing upon the Loan Works programme in so far as the Central Offices are concerned.

The third and last point in the Budget to which I desire to refer, Sir, is that of the Branch Lines policy. Now, Sir, Branch Lines policy about which we have heard so much is largely a matter of Branch Lines accountancy, and though I have no doubt that the present system is quite suited to countries where there is a fair balance as between imports and exports, both in regard to volume and value, I do say, Sir, that quite unnecessary controversies have arisen and continue to arise in this country and with our neighbours which have got to be removed by some adjustment of that system, and it is gratifying, Sir, to observe that both the Select Committee on the Estimates and the Railway Council have quite recently passed resolutions urging Your Excellency to appoint committees to deal with this issue without further delay.

Now, Sir, the position of the maize rate has materially shifted. Through all these years we have believed that, however little of this maize traffic contributed to overheads, it did at all events pay for its haulage costs; and whenever challenged the Administration have always hitherto failed to produce authentic figures or any figures to contradict it. That is, Sir, if you except the figures produced in the last Report of the hon. General Manager, who certainly there indicated a six figure loss last year in the case of maize and a six figure loss the year before in the case of coffee. However, Sir, the issue has been forced. Detailed figures, which we were always

told could not be produced, have been produced, figures which I for one have no alternative but to accept, even if they do show that Sh. 1 per bag can no longer be defended—but I do recognize that upon that basis has been built up much of our general economic development and that the psychological effect of even a small increase may be even more damaging than the actual amount of money involved. In strenuously opposing any change in the past, Sir, destitute as we have been of the statistics, we have been supported periodically by statements such as the important one made by the late Sir Christian Felling a few days before he died at the Maize Conference in 1928 and those few pregnant words, Sir, I would like to quote. He said: "For his part he frankly and emphatically stood for the retention of this rate so long as it appeared necessary; it had done more, he thought, than anything else to develop Kenya, to build up a sound Railway Administration, and thereby to enable money to be secured for further Railway extensions, but he could not defend a long free storage period for exports."

What we on the Railway Council believe so also the maize farmer believed. He never thought that this cheap rate was at the expense of other sections of the community and in these changing conditions, in these prolonged investigations, it has been helpful to have the goodwill of the maize industry itself and to know from some of their leading representatives, or rather, to form the opinion that they are convinced, having regard to all the circumstances, that some move from the fixed shilling per bag is now inevitable.

What does concern them far more, Sir, is the issue raised by the hon. gentleman about what he calls the "peak periods", which we are not prepared to say or to admit have been too often caused by the maize traffic or the maize traffic alone. Peak periods in some instances have been attributed certainly by implication to maize when maize I do not think had anything to do with it at all. But, as the hon. gentleman has stated, Sir, a strong committee has now been appointed, thoroughly representative of all the low-rated traffic concerned, a committee which will not be so concerned with who has been responsible or what has been responsible for these difficulties in the past as to endeavour to evolve a system which, while practicable to the industries concerned, is at the same time in the true interests of the Railway. I would like to point out, Sir, that this proposal of the General Manager to charge Sh. 13/50 on main line maize traffic exactly returns the maize position to where it was prior to 1926 when the Railway in fact got Sh. 13/50—admittedly the farmer only paid Sh. 1 a bag or Sh. 11/20 per ton—but the Kenya Government by means of a subsidy made up the balance.

Now, Sir, a word or two only regarding our partner in this Railway undertaking. I think these words are called for especially after observing the outspoken views on Railway matters which periodically are expressed in the Uganda Legislative Assembly. Although our relations on the Railway Council continue to be as cordial as ever; although we continue to reach unanimity on many occasions where there are grounds for a wide divergence of thought; none the less I do believe that there is a deep-seated and sincere feeling in certain circles that Kenya has got the big end of the stick. The whole Railway problem, Sir, is a very complicated one when it comes to expressing the relative advantages and disadvantages to one country or another—it is practically impossible, but I should like to repeat what I have said publicly before, Sir, a personal opinion that, as an instance, the advantages of the tapered rates to Uganda are very, very great indeed, much more than long distance traffic enjoys in other countries, and moreover that the very existence of this taper as well as the stability of the general rates upon which Uganda depends must inevitably depend on the success or otherwise of the agricultural and industrial development in Kenya itself. It is only because the long span of Railway stretching from Uganda to the Coast is so thoroughly used by the Kenya people that there is any ground for a tapering rate at all. I think, Sir, finally on that subject it cannot be too widely recognized that, as in other matters, the maximum of goodwill between these two countries is absolutely essential to the welfare of the Railway.

Finally, Sir, I would remark that there are several other subjects of equal interest which, but for time, I should like to have referred to, such as road transport, the Belgian extension and the Port finances, which no doubt will be taken up by other Members. Amongst those other Members, Sir, there is a desire on this side of the House that the hon. the Director of Agriculture, who has been on Railway Council even longer than I have and who takes a great interest in its work, may participate in the debate. If so, Sir, I hope and feel sure that in his remarks he will make it clear that this Railway Council to which we both belong has always had a strong tendency to put the brake on rather than to add impetus to the spending propensities of the Administration. All that, Sir, has reference to the past. It is the future on which we have to concentrate and in that future the Railway will be required to play an important part in the development of these countries. That is only possible if its own house is in order and as with the Colony itself that can best be achieved by a determined and sustained effort on the part of all concerned;

having once got the expenditure down to a reasonable level we must see that it is kept down in order that we can in the future face bad times as well as good.

CAPT. THE HON. H. F. WARD: Your Excellency, I do not propose to deal with the Railway Estimates in detail, a decision I came to before I heard the very excellent speech made by my hon. friend the Member for Nairobi South. I think, Sir, that people outside the Railway Council like myself are liable perhaps to embarrass the hon. the General Manager in his very difficult task and I think we can leave detail a great deal to our colleagues who serve on the Railway Council in an advisory capacity. But there is one very important issue that affects us all and that we have, I think, got to look at as closely as we can, and that is the influence of the Railway Budget on the Colony's Budget and the Colony's finances.

Taking one or two minor points first, Sir, it would be interesting to hear from the hon. the General Manager how much, if any—I am not clear on that point—of that £30,000 is covered by the adjustments in the maize rate, if any at all, and for the balance, Sir, to utter the gravest possible warning that production in this country cannot stand further direct charges. It is too heavily penalized as it is and anything extra will tip the scale in many directions.

The most important point of a very interesting speech was the fact that—if I understood him correctly—the Railway revenue is based on Estimates for 1931, that is to say, that the Railway anticipate getting in 1932 the same level of revenue as they expect to get in 1931. That, as I understand it, is the basis of this Budget. If so, Sir, and I am speaking only from its influence on the Colony's Budget, that I am sure is a completely false premise. I do not think there is anybody who is in touch with conditions in commercial life who would be prepared to say other than that 1932 must inevitably be a worse year than 1931. I hope the hon. and gallant gentleman will not fall to the same level of error as have some of the financial advisers to the Kenya Government. I should like to quote one paragraph from the Select Committee's Report which does affect his estimate of traffic. On page 6, in support of the Customs revenue, paragraph (d) says: "In 1930 the £ sterling was on a gold basis. The £ sterling is now less in value than the £ gold, with the consequence that the value of imports from countries whose currencies are still based on gold values will increase in terms of £ sterling, with a consequent increase in Customs revenue." I think we ought really to cut that little extract out and frame it for our guidance in future years. The

position to-day is such that the fall in the £ sterling makes it completely prohibitive to import with any degree of success goods manufactured by countries still on the gold basis, and that, Sir, is going to be one of the most important influences on Railway revenue in 1932.

Before turning to the one point I wish to clear up in these Estimates, may I congratulate the hon. gentleman that for the first time I can remember the amount he debits himself with for interest and sinking fund agrees exactly with the amount that the Colony's Budget says it is going to receive. That has not been so in past years.

The position, I think, Sir, that we have got to get at is what is the cash position of the Railway? What is the contingent liability of the Colony in respect of loan charges, in respect of interest and sinking fund? That, Sir, is a point that I would ask the hon. the General Manager to go a little further into in explanation in order to help us. If you take page 79, Appendix I, the Deposit Account shows a debit for 1931 estimated at £350,000, but there is depreciation debited through the account for that year, as shown in the 1931 Estimates, of £271,737. Does that or does that not mean the Railway definitely made a cash loss in working, or is estimated to make in 1931 a cash loss in working, of £78,263? I shall be very glad also to hear, Sir, in what shape is this Renewal Fund kept. Is it in cash, on deposit at the bank or invested in short or long term security? A peculiar feature, when you study this, which requires clearing up too is the fact that the estimated provision for renewals in the 1931 Estimates, passed by this House in 1930, amounted to £910,112; if you look at that Appendix I on page 79 and take the total estimated balance as at 31st December, 1931, under the two renewal heads—one, Railway and two, the Port—you see the total is only £788,950. Where has that extra £121,162 which has to be contributed under the sanction of the Secretary of State gone to? Does that represent a further cash loss on the working of the Railway? What is the exact position in regard to that? That gradually leads me to my final point. I have asked the question but the only answer I suggest, Sir, is that in order to provide the working cash of the Railway the funds standing in the renewal account are the funds that are being used in exactly the same way as the Colony at the moment is using surpluses on another account to reinforce its own cash position. If that is so, Sir, then at the end of 1931 the renewals will have disappeared in terms of cash in the Deposit Account to the tune of £512,000, leaving the actual cash position of that account as shown on page 79 at £684,000 in round figures. That means to say that provided the Railway does not incur any further



loss than is estimated during 1932, a position which I do not think anybody on this side of the House can accept as a fair assumption, there is in cash in the Railway coffers £684,235, less a further loss in 1932—an amount that will not even cover loan and sinking fund charges for one year.

I think, Sir, the general deduction one must draw from the examination of that particular side of Railway accounts, if I have been at all correct, is that there is a very heavy contingent liability on this Colony for which no provision so far has been made, and I think the general inference definitely is that in the Appropriation Bill of this Colony there should be at any rate a very substantial reserve for 1932, not only to meet its own fall in revenue and other unforeseen occurrences but to meet any contingent liabilities which may develop during 1932 because of its responsibility for loan charges passed on by the Railway.

*The Council adjourned for the usual interval.*

*On resuming.*

THE HON. T. J. O'SHEA: Your Excellency, I think I am right in saying that this House gave its approval to the progressive programme which was pursued by the Railway for a period of years and which has only recently come to, I hope, a temporary halt. I think I am also right in saying that that policy had the whole-hearted approval of Members on this side of the House. If that be so, then of course it would be entirely improper now to turn round, when things have gone wrong, and indulge in severe criticism of that policy. For my part I believe it was absolutely right and suited to the conditions of the country as they then were, and I say again, as soon as the conditions change from what they are to-day, it will be right to advocate a pursuance of that progressive policy. It was part and parcel of a greater policy. We thought that to enable the country to bear the very heavy charges it has to bear in the government of the Colony it was essential to open up communications and that the extension of our railway system would have to be the basis of those better communications to facilitate development. But, Sir, I do hope that does not preclude me from venturing some little criticism of the manner in which that policy was carried out:

To anybody who studies Railway finance over the last five or six years it must be obvious, it is obvious that during the period of that progressive policy of development there was unnecessary extravagance and we are to-day paying the penalty of that extravagance, and I think it is idle to deny it.

The second word of criticism I would venture is that the Railway management did not realize earlier than it did the necessity for curtailing this programme of development and getting down to a programme of retrenchment. In consequence of the failure of the management to show a little foresight in that respect we are this year faced with a very much heavier loss on the Railway than was really necessary. A very large proportion of that loss could have been avoided if a little more foresight had been exercised and a policy of retrenchment embarked upon earlier than it was. Towards the close of last year I heard the opinion expressed by members on the hon. Member's staff that things had changed, that services were already being run at a very considerable loss and that there was no justification for the continuance of those services. Before the close of 1930 the hon. Member was, I think, aware that the Railway would have a loss for that year's working, and I think he should there and then have set himself to the task of economizing, but unfortunately it was not until some time well into this year that a change was brought about in their methods and the situation fairly and squarely faced. In justification of his reluctance to face the facts as they then were, about a year ago, I think it is only fair to say that Government at that time was most reluctant to face the facts. Government as it then was refused to believe the situation was anything like as bad as Members on this side of the House were endeavouring to point out and I cannot help feeling that the hon. the General Manager was a victim to some extent of that undue optimism in Government service.

One remark he did make in his address which I was particularly struck by and I sincerely hope that it also attracted the attention of the executive of Government; that was that, in his opinion, it would take five years for the Railway to recover from the effects of the present depression. Now, Sir, I have never endeavoured to place a period of time upon our recovery and I am very much impressed by the statement of our General Manager of Railways, who of necessity has to make a very close study of our economic conditions and of the economic conditions outside this country, that in his opinion it would take five years. For the moment I will not commit myself to an acceptance of that view, nor am I in a position to dispute it, but it is one that impresses me and I hope it will impress Government because, if he is anything like right in his statement, the present policy of Government stands condemned.

It is, of course, a matter of very considerable regret to this side of the House at any rate that after making the very heavy cuts in expenditure which have been made according to



these Estimates it should still be necessary to increase rates to an extent which will impose the very heavy burden of £80,000 on the unfortunate taxpayers of this country. Inasmuch as the imposition of this burden of £80,000 is made necessary by the demand for interest and sinking fund charges, depreciation allowances and renewals, and not because it is necessary for the actual running of the Railway, I do not see how you can regard it other than as an additional burden of taxation. And when Government in the course of the next few days is listening to our opposition to the Bills that have been placed before us for the imposition of still further taxation I hope it will not fail to keep in mind that, apart from the burdens imposed by these Bills, the community will also have to bear an additional £80,000 worth of taxation in Railway rates.

For the levy on salaries suggested in these Estimates I have no sympathy whatever. It may seem strange coming from me that I should be opposed to a levy on the salaries of servants of Government and servants of the Government Railway, but I am opposed to it, Sir, because I think it is a most inequitable way in which the conditions of employment of Railway servants should be adjusted so as to bring them into line with the present day conditions. That levy on salaries does impose a real hardship on a very large proportion of the Railway employees, a hardship which should not be imposed and a hardship which it is absolutely unnecessary to impose. Various other ways could be found in which to reduce their cost to the State without making them feel it in the way they will feel this levy on salaries. I can quite understand that in the case of the more highly paid people they will not feel it in anything like the same way, but a very large proportion of the European and Asiatic staffs of the Railway are comparatively low-paid people who will feel this levy very severely indeed.

I object to it also for various other reasons. At this moment I will give you another one; that is, that it will still further reduce the amount of money in circulation in the country at a time when we should be doing everything possible to increase the amount of money in circulation in the country. What will be the effect if you continue to insist on sending your Railway employees out of the country every two-and-a-half years? The great majority of them, having less money with which to accumulate savings, will have still further to reduce their expenditure during the period they are in Kenya in order to accumulate sufficient money to make their stay out of the country in some way tolerable to them. And so you still further reduce the amount of money in circulation in Kenya. That is an indirect consequence of your action in

imposing this levy and I regret very much indeed that the Railway, having had plenty of time in which to consider these questions, could not have found other ways and means of reducing the cost in personnel without inflicting this hardship on the staff.

I feel gratified that the hon. mover should have drawn attention to the fact that the interference of the Secretary of State has imposed a further burden of £60,000 on this country next year at a time when we might reasonably have asked to be relieved of any unnecessary burdens. In insisting as he has done—against the well-considered advice of the expert authorities in this country—on increasing the depreciation allowance from 2 to 2½ per cent, costing us another £60,000, he has in my opinion done a very unkindly thing to this country and made the position more difficult than it need be. Had it not been for the imposition of this additional burden, the increased rates which have been foreshadowed would only have been called upon to bring in £20,000 as against £80,000 we now have to find out of increased rates. When one examines the position of our State Railway in comparison with the privately-owned railways of Great Britain, for example, one is impressed by this outstanding fact, that whereas the capital value of the privately-owned railways in Great Britain may depreciate to any extent no depreciation can be allowed on ours. I read a statement recently that the fall in the value of railway stocks in Great Britain over a period of six months represented a capital loss, speaking from memory, of £300,000,000. Our Railways may not under our constitution depreciate so far as the shareholders are concerned by one fraction of a penny. Not only do we guarantee the return of their capital in full but we are compelled to guarantee them payment of their interest year by year no matter what happens to the unfortunate people who have to provide that interest. So in addition to repaying capital and paying the interest every year—and a high rate of interest it is—we are also compelled to set aside very liberal sums every year for maintenance and renewals. In addition thereto, we are now being called upon to pay an extra amount to cover depreciation so that in fact this generation is not only paying all the commitments which it might legitimately be called upon to pay but it is being compelled to carry a burden, an extra burden, so that the next generation may have their Railway free of cost. I hold the view, Your Excellency, that that is wrong finance from the point of view of a pioneering country. I say that to satisfy the ideas of the Treasury mind of the British Government we are being compelled in a pioneering country to pursue in the economic sphere a conservative policy that can only

be justified in the banking sphere, and that one of the outcomes of that policy has been to inflict unnecessarily high Railway rates upon the country and on occasions like this it also necessitates their increase at a time when everything possible should be done to decrease them. I support the suggestion that has already come from this side of the House that further efforts should be made by our Government to get a withdrawal of the decision of the late Secretary of State for the Colonies—a change of Government may result in a change of attitude on this question and I think it would be well worth our while to endeavour to get an alteration in that decision. £60,000 is no small sum in these days and it is worth struggling for.

In his statement the hon. mover left the impression on my mind, when dealing with the question of the maize rate, that he thought the maize-growing population of the country should be grateful that in endeavouring to estimate a fair charge for carrying maize the charge for hauling was not made to include allowances for depreciation and other items of that nature. I do not think the maize growers or any other people producing a low-value commodity which has been carried by the Railway at a low rate need feel the least grateful. It is merely commonplace, common sense, sound commercial practice to base your charges and your profits according to the nature of the commodity in which you are dealing. May I say that if the point of view hinted at in that statement were adopted logically throughout the rating system there would be no justification whatever for the very high rates that are charged on other commodities. In other words, Sir, our policy is not one of carrying things at cost. It is one of charging rates based upon the ability of the commodity to pay and I do not think the hon. the General Manager is on sound lines when on the one hand he endeavours to justify his policy, or his rates rather, on a high scale by saying it is the ability of the commodity to pay that his rate is charged upon, and then at the other end of the scale to endeavour to justify an increase in his charge by talking about the cost of haulage. I am far from satisfied that a case has yet been made out for an increase in the haulage rate on maize. In the Estimates as laid before us it is not at all clear that a decision has been taken to increase the rate on maize, but on the other hand, from various statements that have been made, one is, I think, justified in concluding that such is the intention. If it be so, then I should like to register my protest. At the same time, Sir, I should like to say also that I do not give my support to the suggestion that the needs of the moment would be met by an all-round surcharge. I think the people who have put forward that idea have not waited to consider it in all its

implications. The first thing that occurs to me from that suggestion is that it would make still more difficult the position of the Railway in its effort to meet the competition of motor traffic. To make a surcharge on your highest rates would make it practically impossible to compete and that suggestion I do not regard as any possible solution of the Railway's present difficulties.

Finally, Sir, I should like to congratulate the Railway Management on recognizing that we have got back to the position in this country where we cannot very well expect more than pioneer services. For a short period of time our ideas of the position of this country were so inflated that it was high treason to suggest that the country was still in a stage of development, when nothing more than pioneer services could be looked for. In the sphere of social services Government—and I am afraid to a much greater extent than was really necessary with the approval of Members on this side of the House—embarked upon a social service policy which was entirely out of keeping with our real position, and in the Railway sphere at any rate we are recognizing that we went too far ahead of what we were able to support, and I congratulate the Railway on recognizing that that era at any rate is temporarily past and that for the next year or two we cannot do more than expect pioneer services. I feel certain that the Railway will get the response it looks for and that the community will accept the realities of the situation and not expect any more, and I can only hope that Government in its other spheres of activity will recognize the position in the same frank way.

CAPT. THE HON. J. L. COTTEB: Your Excellency, I rise chiefly to ask the hon. the General Manager in his reply if he could enlighten me on one or two questions as regards coal and fuel. For instance, on the audit account when an engine comes from a shed it is not possible to load the tender with the 500 cubic feet of fuel which is signed for by the engine driver. As a matter of fact I understand, unless it is well stacked, you cannot put on even 400 cubic feet. In his reply I should be glad if the hon. the General Manager would let us know what becomes of the extra 100 cubic feet of fuel in this case. Again, when an engine returns to the locomotive shed it usually has, say, 100 or 150 cubic feet of fuel in hand. What becomes of that amount of fuel? The reason why I ask is because in the comparison between the consumption of coal and the consumption of wood I often think there is something happens to this fuel that is not accounted for because it seems to me although a highly protective policy is not one which as a matter of fact I am very much in favour of, but as we have adopted it in this country we may as well

go the whole hog, and that is where we might save on the import of coal by the Railway. I believe it is in the neighbourhood of £70,000 and it seems to me if we do that we might as well protect the people and capital and labour employed in cutting wood fuel against this sum which is spent outside the country.

There is one other point I should like to be informed upon and that is when we pay our sinking fund what happens to the actual money that we pay? Is it reinvested in the loan or do we get interest for it in some way? I am quite unable to find out what becomes of these sums we are paying to sinking fund. As far as I can see, according to the Report, we do not know what becomes of it. Do we even get interest on it? That is all I have to say, Sir.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I do not propose to go into the details of the Railway Budget but there are one or two points that I should like to ventilate my opinion on, and I do it on the Railway Budget as I realize through experience that the hon. the General Manager never takes anything said in Council personally and he is always sportsman enough to agree to differ. I should like to refer to the branch lines, as predicted by the hon. the General Manager before the adjournment. I have for some considerable time, Your Excellency, championed the cause of the branch lines, and the signs are very visible now that it is having some effect. The hon. Member for Nairobi South appears to have joined with me this morning, and that is a considerable gain when one realizes that he is on the Inter-Colonial Railway Council. I have pointed out on numerous occasions, illustrating one line—not that I do not visualize others—I illustrated one line for the purpose of being concise and precise, and that is the Kitale branch line. I think you showed last year that the loss on that line was £96,000. I have pointed out that in my opinion the inadvisability of the present system of accountancy largely mixes up the branch line accountancy with the main line, with the result that you get these abnormal figures. It has had also a further effect obviously. The Joint Select Committee have not only seen these figures but it has astounded them as it is recorded here in the Report on Closer Union in East Africa, Volume I, page 19:

"Further, it would appear that the net losses in operating some of the existing branch lines call for a searching investigation as affecting these questions, and still more the question of any further construction. It has not been possible for the Committee to investigate these matters thoroughly, but they are of opinion that a

prima facie case has been made out for a fresh impartial inquiry on the spot into these questions of railway rates and railway finance throughout East Africa."

Now, Sir, I assert that that was caused by the figures produced in the Kitale Branch Line balance sheet and it would astound anybody that a line of forty-six miles in length could lose £96,000 in one year. When we take the trouble to find them we find that the line pays a higher rate than any part of the Kenya and Uganda Railway, which is 9 cents per ton mile. I do not wish to stress this point any further. I have the backing to-day of the Joint Select Committee; I have the backing this morning of a member of the Inter-Colonial Railway Council, and I hope that a request for a report and our recommendation for a report from these members will be upheld and that the people interested will be afforded every opportunity of giving evidence.

The General Manager, not this morning but on a previous occasion, did stress the necessity for increased production and I would just like to point out one point, that the branch line rates stifle production, absolutely stifle it in a branch line area. They prohibit the exportation of maize, at least nearly meal. It creates a monopoly on the main line of maximum rates and makes it prohibitive for branch line people.

I did intend to ask for an assurance that the flat rate will not be changed but I realize that, having listened to the hon. Member for Nairobi South and the hon. General Manager, that that does seem rather futile. I understood the hon. General Manager to say that no alteration in the flat rate will be made without consulting the people concerned. I hope I was correct. I also understood the hon. Member for Nairobi South to infer that in his opinion it would be pitiful for the producers to realize that these rates had to be changed. I do not agree with him in that statement. It has not been proved to my satisfaction or anybody's satisfaction and it has not been definitely said that you are going to increase these rates, but one can get by deduction that that is the intention of the Inter-Colonial Railway Council—somewhere in the region of Sh. 15 per ton, which will mean approximately 21 or 22 cents a bag of export maize. I suggest, Sir, that in a serious time of depression such as this, whatever effect it will have on the Railway, this is not the time to consider an increase of the maize rate and I predict, if they increase the present market rate, it will put the greater number of producers who are maize producers out of action in this Colony. It will go further and will have the effect of loss of confidence, both in the Government and in the Railway

and in themselves, to make good, and I hope the Government will consider very seriously indeed before they sanction any increase in the flat rate at the present time.

I cannot help noticing that there is no reference made to the rates on cotton. Whether that is a constitutional matter I do not know, but I do know from the Budget last year that the loss on cotton and cotton seed was in the region of £66,000 and if you are going to increase the flat rate on maize then I hope some announcement will be made in regard to the increase or otherwise in the cotton and cotton seed rate. It is not a question of Kenya versus Uganda, but if sacrifices are to be made I submit they should be made by both parties and not by Kenya alone.

The hon. General Manager on a previous occasion suggested that one remedy that would help probably more than this was an increase in production. That I heartily endorse. An increase in production would mean an increase in export; an increase in export would mean an increase in imports; but I fail to see that the juggling of the Railway General Manager or the Inter-Colonial Railway Council could bring about that desirable end. Elected Members have put up suggestions, but so far as I am aware they have not been accepted by Government, but if the hon. General Manager or the Railway Council could use their influence with the High Commissioner for Transport then we might get agreement between Government and Elected Members and bring about that increase in production which is so heartily desired by everybody.

I also suggest, Sir, and I would like an assurance, that if there is any alteration in rates it will be temporary, just the same as the levy on salaries, which is restricted to 1932. In other words, I hope that any increase that is going to be forced on the Colony—which I am rather afraid is the case—will be for 1932 only, subject to the usual proclamation by the Governor in Council after consultation with the Elected Members of the Legislature.

We have heard a good deal about the peak period and we know a good deal about it. We know cotton and maize have been rushed to the Coast, but the peak is a very serious handicap to the Railway, a very serious handicap indeed—you get the whole of the traffic going one way and you get no goods going the other. It was suggested some months ago, during the absence of the hon. Director of Agriculture, that it could be obviated by reducing the reconditioning charges on maize in the latter part of the year and the early part of the year and inducing the producer to forward his maize for export at the earliest possible moment, which would coincide with

the slack period, the end of the year and the early part of the year. Maize does not rail as a rule until the first quarter of the year and if you could induce it to leave earlier by considerably reduced conditioning charges it would help the Railway over one of its difficulties. How far that has been implemented I do not know. There will not be a very large export of maize this year but in a normal year it would be a great advantage if that idea could be carried out.

The question of motor traffic and competition with the Railway has exercised the minds of everybody on this Council as well as everybody in the Colony. Personally, I am sorry that the Ordinance now existing ever came into force. I would much prefer to see the total prohibition of any competition with our Railway. It has been stated that a board or committee sits to grant these licences. I notice time and time again it has been stated that the Railway has a monopoly. I wish they had, but I look at it in a much broader way. I do not think the Railway has a monopoly. After all, the Railway belongs to Kenya and Uganda and if there is a monopoly at all it is a monopoly belonging to those two countries and it goes beyond the Railway; and why we should sacrifice some £40,000 or £50,000 a year in Railway rates in order to get some £2,000 odd a year for motor lorry licences is beyond my comprehension.

The hon. General Manager mentioned the figure of 82 per cent of total traffic was due to agricultural production. I would like the General Manager to state what was the increase also in general traffic. He has only given one side of the picture—that is, the low rates have increased 82 per cent. I do not wish to delay the House any longer, Your Excellency. I am one of those who believe that the position of the Railway is a very anomalous one so far as this Colony is concerned. That is, we have the Inter-Colonial Railway Council with unofficial and official representation from Uganda and Kenya—the General Manager stands in an advisory capacity but has no executive authority in that Council. I understand that the High Commissioner for Transport is Your Excellency and I do not think you ought to do anything in holding that dual position. But why the Joint Committee should suggest that the anomaly might be removed by conferring with the Governor of the adjoining territory I do not know. It does seem to me, Sir, as I see the picture, that there is some other machinery required, and I hope when the committee suggested by the Joint Committee is appointed that it might be advisable to reopen the whole question.

I sympathize very much with the Railway staff in having to suffer the cut and I cannot help thinking that my hon. friend the hon. Member for Plateau South is not altogether

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The hon. General Manager on a previous occasion suggested that one remedy that would help probably more than this was an increase in production. That I heartily endorse. An increase in production would mean an increase in export; an increase in export would mean an increase in imports; but I fail to see that the juggling of the Railway General Manager or the Inter-Colonial Railway Council could bring about that desirable end. Elected Members have put up suggestions, but so far as I am aware they have not been accepted by Government, but if the hon. General Manager or the Railway Council could use their influence with the High Commissioner for Transport then we might get agreement between Government and Elected Members and bring about that increase in production which is so heartily desired by everybody.

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The hon. General Manager mentioned the figure of 32 per cent of total traffic was due to agricultural production. I would like the General Manager to state what was the increase also in general traffic. He has only given one side of the picture—that is, the low rates have increased 32 per cent. I do not wish to delay the House any longer, Your Excellency. I am one of those who believe that the position of the Railway is a very anomalous one so far as this Colony is concerned. That is, we have the Inter-Colonial Railway Council with unofficial and official representation from Uganda and Kenya—the General Manager stands in an advisory capacity but has no executive authority in that Council. I understand that the High Commissioner for Transport is Your Excellency and I do not think you ought to do anything in holding that dual position. But why the Joint Committee should suggest that the anomaly might be removed by conferring with the Governor of the adjoining territory I do not know. It does seem to me, Sir, as I see the picture, that there is some other machinery required, and I hope when the committee suggested by the Joint Committee is appointed that it might be advisable to reopen the whole question.

I sympathize very much with the Railway staff in having to suffer the cut and I cannot help thinking that my hon. friend the hon. Member for Plateau South is not altogether

off the map when he accuses the Railway of gross extravagance. I believe you can take roughly the figures on the second and third pages—pages four and five of the Estimates of Revenue and Expenditure—which show a reduction in the region of £454,688 clear, and when a deduction is made like that in one year it rather indicates that there has been extravagance in the past. At the same time, I do not wish to depreciate from the fact that deduction has been made and I think that the Inter-Colonial Railway Council have a very heavy responsibility to the country—and naturally they are bound to meet with a good deal of criticism, adverse and otherwise. But I do realize the efforts, and I do appreciate the efforts which have been made and I do want the House to realize I am not criticizing either the Government or criticizing anybody individually—I am expressing my opinion, as I am entitled to express it, according to the oath which I took in this Council; and I subscribe to the prayer here every morning; and I am expressing a conscientious conviction in saying what I am saying in this House. I am thinking of an incident which happened yesterday.

THE REV. CANON THE HON. H. LEAKEY: Your Excellency, the hon. the General Manager of the Kenya and Uganda Railway told us that there are many thousands of natives employed on the Kenya and Uganda Railway, and he has also told us of these retrenchments which are inevitable now with regard to the economy campaign. I wonder whether he could possibly give us a very approximate idea of the number of Africans which will have to be retrenched; also whether he can give us any figures of those in permanent employment and some idea of the diminution in the more casual labour employed upon monthly or six-monthly contracts.

There is one other matter which I should like to touch upon. We have heard this morning, I have often heard, about the disappointment at the amount of revenue produced by what is grown in the reserves by native production. I should very much like to know whether we can be told by the hon. the General Manager how this is gauged at all. To my certain knowledge as soon as ever a crop of maize grown in the Kikuyu Reserve—which I know best—is ripe, before it is properly dry usually, it is carried off in thousands of pounds to the native dukas and is there bought by the Indians. I have also seen their agents in the native markets buying it and carrying it to the dukas which are generally near the Railway. Further than that I know there are some Europeans who do lay themselves out to buy from the natives. In the old days these men turned it into goats though to-day they turn it as much into sugar, tea, khaki clothes and things which bring Customs revenue as well as Railway revenue,

but I say does the native who turns his food into ready cash—I do not grumble about that—does he get the credit in any sort of way in the Railway returns for all this amount of maize and later on potatoes—and I expect up in Kavirondo and elsewhere, millet—which is grown in the native reserves? Will it be credited to somebody else or is it merely the person who signs the waybill and sends it off to the mills that gets the credit? It seems to me it is very difficult to know the quantity of this large amount of stuff which undoubtedly is carried on the Railway and grown in the reserves.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I do not want to traverse the ground of the extravagance of the Railway in the past. Many of us think they overdid their building programmes but I do submit that the present position as put before us to-day does show us the very serious position of the Railway. We are told there was a loss of £350,000 in 1931 and to meet that credit must be given to the Administration of the Railway for the very thorough way in which they have tackled the question of reduction of expenditure which is reflected in the fact that they have reduced their expenditure by over half-a-million pounds for this coming year. At the same time, Sir, I only came in at the tail end of the hunt, being on Railway Council only at its last meeting, so I have not gone through it all, but it was evident to us when we were considering the position that the Railway must, apart from this reduction of expenditure, endeavour to increase its revenue to a certain extent. As to the methods adopted for doing so, there have been differences of opinion but that is not a matter for debate today. Now, Sir, in doing this the necessary corollary was that if the Railway was reduced to merely a question of maintenance it necessitated the reduction of staff; it cannot be justified in keeping on people for whom there is no work, but I am sure at the same time we should like on this side of the House to associate ourselves with what the hon. and gallant General Manager said as to our great regret that these over 100 Europeans, 400 Asians and thousands of natives who have all done good work have now by force of circumstances had to be retrenched.

There was a point which rather upset me which the hon. and gallant General Manager stated but I hope perhaps he did not mean quite literally what he said. The words he used were that owing to the financial position we had got to have a complete reversal of the policy of the last eight years. I hope, Sir, he did not really altogether mean that. I hope what he really meant was that we had to mark time for the time being, that we could not go on developing further that

policy, but I do trust he did not mean a complete reversal of policy because, as I understand it, the policy we have followed in this Railway is that the Railway is the main artery of this country, and that its first function is to help to increase the productive wealth of the country so that that productive wealth can go out of the country and come back in the form of imports which pay a higher rate on the Railway, and so the whole policy has been built up. I trust that he does not mean that that policy is now going to be reversed.

Following on that point, Sir, that the Railway is the main artery of this Colony and is a very vital factor in the development of it, I do think, Sir, there is a very strong case why the question of this motor lorry traffic should be most drastically dealt with. The Railway is a common carrier and has to take whatever goods are brought to it. These lorries do make unfair competition in that they can pick and choose and need only take the best paying goods and not carry the lower paying ones. I think the country at large has realized what a very serious implication lies behind this competition if it goes on to a large extent. As the hon. and gallant General Manager pointed out, it does mean reorganization of rates and that will probably come very hardly on the requirements of this country. It means you have got to reduce the rates in classes 1 and 2, which are the best paying, and then as the money has got to be found elsewhere it is going to be put on the lower rates. I hope that will be avoided. I do not believe that would be a sound way of dealing with it if we could possibly avoid it because even if the rates are reduced on classes 1 and 2 I presume it would be so adjusted to try and get this revenue we are now estimating for. It would be far better to have the competition eliminated altogether.

With reference to the maize industry, I think the hon. and gallant General Manager made a slight verbal mistake when he said the decision was unanimous. I think *non con.* is the term he should have used. He referred to a sub-committee which had gone into the question of the costs and that sub-committee had agreed that the costs put up were correct. That is so, but I think we might go a little further and say what the result of that sub-committee was—that I believe the losses to the Railway in 1930, which saw the maximum carriage of maize for export we have ever had here, amounted to approximately £12,000 over the actual haulage costs, while at the same time if you take the gains to the Railway on internal movement of maize in that same year they came to—over the haulage costs again—they came to rather more than that amount, so actually the whole maize industry in that particular year just covered the haulage costs.

Now, Sir, it has been proved. I think to the satisfaction of people who have gone into it very carefully that the price at the present moment does not quite cover the haulage costs for export maize and therefore the Railway had to put up these increases which were foreshadowed by the hon. and gallant General Manager, but I should like to join with my hon. and gallant friend, the Member for Nairobi South, with regard to the danger of the handling of what is known as these peak periods. The hon. and gallant General Manager said he relied on the co-operation of the industry to get over this; I am sure he will get that co-operation, Sir, but I do hope at the same time the industry will have the whole-hearted co-operation of the Railway Administration to help them on their side which will be a very difficult one.

The hon. and gallant Member for Plateau North spoke of the loss on cotton and cotton seed. I think he probably is in error. I do not think there was a loss on cotton, not on cotton lint, but there was a loss on cotton seed which is carried at approximately the same equivalent rates as maize. No doubt the hon. and gallant General Manager will explain that more fully in his reply.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of explanation, Your Excellency, I quoted cotton and cotton seed—the gross loss on both is £66,000.

LT.-COL. THE HON. LORD FRANCIS SCOTT: The hon. Member for Plateau South, Sir, pointed out that a surcharge would further put up the cost of classes 1 and 2. In the proposition which was considered these two classes were left out of that surcharge as obviously that would make competition with road transport still more impossible. I do hope that whatever else is done this policy of the Railway helping the development of the country will always be kept to the forefront. It is the only possible policy which can help us to pay our way and which will ultimately always rebound to the good of the Railway itself. Any reversal would be fatal to the good of both these countries.

HIS EXCELLENCY: If there is no other hon. Member who wishes to speak I will call upon the hon. member to reply.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: Your Excellency, I think I may feel gratified at the general tone the debate has taken this morning. There seem to be very few points of material importance that have been raised but I shall endeavour in the short time left us to try and answer the various questions that have been put by the speakers on the opposite side of the House.



To begin with, I am very grateful to my hon. and gallant friend, the Member for Nairobi South, for drawing attention to what was perhaps an omission in my speech wherein I failed to give the credit that was due to the Railway Council for the steps that had been taken during the past year to deal with our financial difficulties. I may say that that omission was not intentional in any way and I should like to take this opportunity of correcting that impression. I may say, speaking for the Railway Administration, that we have had the most deep consideration of all our problems and the greatest possible assistance has been given to us by the Railway Council and the greatest help in putting forward recommendations to the High Commissioner in regard to these various problems. I should like to make that point quite clear because this year we have gone through has been a particularly difficult one, and a particularly difficult one from the point of view of the Railway Council who have had to submit recommendations which were very much at variance with their particular interests at times. The last meeting in particular was a very difficult one indeed, and I think I may say it was due to the extremely able way in which the Chairman dealt with that meeting that we were able to get such satisfactory results. I am, however, Sir, in some small difficulty when Members of the Council, my Directors, put forward suggestions which are at variance with some of the resolutions made by the Council. Take the question, Sir, of the increase in rates and the question of a surcharge—there was a very long argument on that question: some people favoured a surcharge; some people favoured dealing with certain specific rates. We argued all over the question for I think at least one full day; it may have been longer. It is impossible for me to go into the full details of those arguments now; I can only say that after a very thorough discussion the majority of the Council decided that the principle of a surcharge was not altogether sound and not quite the best to adopt at the present time.

The point about the contribution to the Renewals Fund being raised from 2 per cent to 2½ per cent at the moment is somewhat academic because, as hon. members will have seen, our losses are over £160,000, which is about one-half of the contribution to the Renewals Fund; so that, in fact, our contribution will be only 1½ per cent instead of 2½ per cent, which is actually laid down. The question will undoubtedly come up for consideration again at a later date when our finances are restored to a proper position but at the moment no further action is necessary.

**THE HON. T. J. O'SHEA:** Your Excellency, I understand we have your indulgence and the indulgence of the House to

raise queries. I understand, from the financial statement put before us that the loss on the Railway—the withdrawals from these funds have been put through as a book entry and that you are in fact debiting the account with 2½ per cent and that you will then later on ask the consent of the Secretary of State to allow the amount to be reduced.

**THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS:** That is correct. We are debiting the account with the full amount at the moment, but in effect we only contribute about half the amount we should contribute. The total we have actually set aside is £324,000. The net contribution to the fund is, however, £162,000. The question undoubtedly will come up for consideration in the future when we have to start repaying it.

**THE HON. T. J. O'SHEA:** So I am fairly correct in my assumption. Are we right in believing that because of our bad cash position at the moment we are being debited with the balance of that full liability later on?

**THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS:** That is quite correct, Sir. First of all we have to pay the full amount of the contribution to the Renewals Fund of £324,552. Our loss for the year is £162,263, so that our net contribution is £162,289. But the present time is not an opportune moment to go into that question; it will come up again later on.

Another point, Sir, brought up by the hon. Member for Nairobi South was the question of smaller engines using wood fuel instead of the larger engines using coal fuel. I put that before the Railway Council at the last meeting in a memorandum which I prepared showing why it was economically unsound for us to go on to the smaller engine basis, much as we would like to in order to spend our money in the country. I understood the hon. Member did accept that memorandum; at any rate it was, I think, accepted by the majority of the Council.

On the question of Railway Headquarters offices and the disposal of space, I may state that within the last few days negotiations have I think been practically concluded with Government whereby one of the Government departments can take over the greater part of the upper story of the Railway offices.

On the question of branch line policy, which was raised by the hon. Member for Nairobi South, I may say that this branch line accountancy is one which is designed for one chief



purpose, and that is to estimate the amount of contribution or guarantee that we can ask Government to give us when a new line is being considered. It is designed chiefly for that purpose and in laying down a formula to arrive at that guarantee it has been recommended by technical people at home—I do not think it has anything to do with the Government at home—it has been recommended that we should adopt the particular form of accounting that we now use. That system, Sir, has tended to give the branch line most favourable treatment. It was laid down that anything carried from the branch line over the main line should be credited to the branch line—that is, the profit earned on the main line. Because of one fact and one fact only—that is, that maize earns no profit but in fact incurs a loss—the branch lines in those cases have been debited with the loss. That is the reason why each of the branch lines shows a considerable loss each year. The whole of that is explained quite fully in the Annual Report. At the back of the minds of people who bring forward this question is the question of how such branch line rates can be withdrawn. That is another question but I would merely state that on any formula that can be produced at all the Kitale Branch for example would still show a loss. I think—taking the figures for the branch line itself and speaking from memory—the loss there in 1930 would have been £19,000, so that there is still no case yet for the removal of branch line rates.

**LT.-COL. THE HON. J. G. KIRKWOOD:** On a point of explanation, I have never asked for a removal of the branch line rates. I have asked for a removal of anomalies but up to now I have not succeeded.

**THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS:** I am glad to know there is nothing behind it, but apart from that, I do not think it can affect the country in any way. What it has done is to draw attention to one or two rates—the maize rate particularly.

The hon. Member for Nairobi South, Sir, has referred to the question of maize rates and the question of haulage costs and to the fact that statistics were not available. It has taken me three years to accumulate the information which was necessary to enable me to set before the Railway Council the memorandum on this subject. However, in our Report we have drawn attention to the tendencies which have been showing themselves in regard to this traffic and if the Report has been provocative I think it has been provocative of a good deal of clear thinking. I think it is probable that the out-of-pocket costs of maize are not less than the actual-working costs. The memorandum which I submitted in July showed

that I estimated the net out-of-pocket costs in the neighbourhood of 5.7 cents per ton mile. That is, by employing staff to handle maize—engine drivers, guards and that sort of thing, it has cost us at least 5.7 cents per ton mile. Actually in our revenue we get only 3 cents. The suggestion is that rolling stock, engine drivers, guards and so on should be paid for by other traffic and that we could under those conditions get down to the direct haulage costs only. That has been worked out at 2.6 cents per ton mile and that cost an average rate of Sh. 15 is intended to cover.

It has been stated that the late General Manager did on various occasions strongly support the assistance given to the maize industry. That is quite correct, Sir, but also on other occasions the late General Manager did clearly explain how we were getting away from the economic methods of dealing with the crop and how we were being called upon to devote far too much capital upon removing it, far too much on additional engines and additional staff for the amount we were getting in return. And that is exactly the situation that has developed during the last three years. It is only in the last three years that the maize crop has become a difficulty.

One other point, Sir, raised by the hon. Member for Nairobi South—the question of the interests of Kenya as against Uganda. From a Railway point of view I deplore the fact that there is a boundary between these two countries. We do not look upon industries only as affecting particular colonies or countries and I feel that the tendency which does sometimes show itself in both countries to refer to problems which exist there as against problems which exist here is entirely wrong. We should face these questions as East African problems and I am sure on those lines we can get sound solutions. I may say the maize solution has been accepted by the Uganda Members of the Railway Council and I hope they will now have no difficulty in explaining the position to their own people.

The hon. Member for Nairobi North, Sir—I had some difficulty in following his arguments in connexion with our surplus fund shown on page 79 of the Estimates. The discrepancy which he discovered between the estimated balances at the end of 1931 compared with what was shown in the Estimates of last year is, of course, due to the fact that he has not deducted the approved works which have to be constructed out of these particular funds. If the expenditure against these funds, which was shown in the previous Estimates on page 4, is deducted from the balances he will get the totals shown here.

CAPT. THE HON. H. F. WARD: On a point of explanation—I hope the General Manager agrees—if he had adopted the same form for these Estimates as last year the point would have been clearer.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: That is so, Sir. We have slightly varied the form of the Estimates this year.

The other point is that the hon. Member was not quite clear as to what happened to the surplus balances shown in the last column amounting to £684,239. I may say, Sir, that that balance is now our working capital and if anything it is on the low side. A good deal of this money is required to carry on our business and that money has to be found out of those funds.

The hon. Member, I think, stated that he thought we were wrong in taking our revenue for the present year as a basis for next year. That is a question of opinion. We debated that point for a long time indeed in Railway Council and we finally decided we would be quite safe in adopting this year's revenue as a basis for next year. We do not deal with Kenya only; we have a very good cotton crop in Uganda, which latest reports state is suffering from some sort of disease, but we think a figure of £1,850,000, which is probably what we shall get this year, will be a fair figure to take as a basis for next year.

He mentioned also, Sir, the question of the depreciation of the £. That is a very serious difficulty. It is quite possible, as he pointed out, that the depreciation of the £ will throw up the cost of working very considerably during the coming year; it will depend a good deal on how much purchases overseas we shall go in for. Luckily our stocks of stores are fairly well up and I anticipate our purchases will be a minimum this year. If the question becomes serious it may mean a surcharge generally throughout the rates.

The hon. Member for Plateau South, Sir, I think has raised the point that we must have been extravagant in the past because we are making such big savings now. While I do not claim that we were entirely free from criticism in the past, I do not think that that deduction necessarily follows.

He also raised the point which is a very easy one to raise now that we ought to have foreseen a lot of these difficulties. I dealt with that in my Annual Report for last year when I pointed out that we did in fact actually foresee some difficulties and as early as April last year proposals were put up to the Railway Council for certain reductions in services which were

fully considered. At that time, Sir, it did not appear necessary to take any urgent steps. Later, I may say, while I was away on leave, it was also agreed to remit certain refunds and rebates to the maize industry which also did not appear fully consistent with the policy of cutting down expenditure. However, since I returned in November last year steps were immediately taken and I think hon. Members of the Railway Council will agree that at their first meeting very complete proposals were put up for reductions in expenditure, which have been followed, as I have tried to explain, by further reductions as they could be taken step by step.

The hon. Member for Plateau South stated that he was not satisfied that the increase in the maize rate was justified. I have tried to explain that we are giving the maize rate the most favourable terms we can, that is, direct haulage costs only, and arranging our traffic on that basis Sh. 15 would cover the cost. Those figures have been accepted after the closest inquiry by a sub-committee of Kenya members of Railway Council so that I think I am justified in stating that that Sh. 15 rate is fully substantiated. The point was raised in connexion with that matter that now is the wrong time to inflict an increase on the maize industry. I should like to suggest that now is the best time to do so because next year there will be little, if any, export of maize. Now is the time to make this announcement because it will affect the season of 1933, not the season of 1931. It will enable the farmers and producers to consider their position in regard to this crop, chiefly in connexion with the 1933 crop.

The hon. Member for Kenya, Sir, raised certain questions in connexion with the system of accounting for coal and wood fuel in loading our engines. I cannot give complete details of that but I would state that in all comparative tests of these two fuels full allowance is made for any fuel that is returned by the engines after test and our figures are based completely on a correct estimate of the actual amount of fuel used. Drivers are called upon to sign for the quantity of fuel that they take on their tenders and for no more. If a driver takes 300 cubic feet he signs for 300 cubic feet. The method of measurement is by the stack for wood fuel and by the keral as regards coal. The method is rather inaccurate but we hope to change that presently when we can use steam cranes. The chief point is that in arranging our tests and getting comparative values we have very accurate measurements of the fuel used.

The hon. Member for Plateau North opened his speech with the branch line question which I have dealt with. He also asked a question about the increases in flat rates—I presume he means in connexion with the maize traffic. I thought

I had made it quite clear, Sir, in my opening statement that the present proposals of the Railway Council would in fact involve an increase in that rate. The main line rate will be Sh. 13/50 while the branch line rates will remain as they are. The main line rate is Sh. 13/50 as against Sh. 11/20 at present.

As regards the cotton industry, the hon. Member, I think, spoke about this. I gathered that he means cotton lint and cotton seed. As regards lint, the rates are not in question. They are sound paying rates. In fact, our Uganda friends will say that we charge too much on that commodity. As regards cotton seed, that has been dealt with in exactly the same way as the rate on maize, that is, it is proposed to treat it as non-peak traffic paying direct haulage costs only, and the present rate on cotton seed, taking into consideration the extra mileage and its bulky nature, is very closely approximate to the proposed rate on maize, so that the two commodities may be stated to be in exactly similar circumstances.

Another point raised by the hon. Member for Plateau North was in connexion with the figure of 32 per cent that I quoted in connexion with the low-rated commodities. That 32 per cent was not a 32 per cent increase in low-rated commodities. I stated the fact that low-rated commodities now comprise 32 per cent of our total traffic, which is a very high figure when you consider that most of these low-rated commodities pay nothing whatever towards overhead charges. Maize and cotton seed, the two biggest, pay only direct haulage costs, that is, out-of-pocket costs—coal and oil and so on—and nothing towards maintenance, salaries or loan charges. That is why 32 per cent of our total traffic is a very serious thing and a very difficult thing to carry.

The hon. Member representing Native Interests asked me for certain figures regarding the number of Africans retrenched and the diminution in casual labour. I am sorry I have not got those with me. I can only say they amount to, taking the two together, thousands of men. We have, as I explained, been carrying out a programme each year in the engineering department alone costing over two millions, and now we have a programme costing £200,000. Obviously the labour employed in those two programmes will differ very considerably indeed. I could possibly get the figures for the hon. Member but I think it will meet his point if I say that they are very largely members of the staff who will be thrown out of work owing to the fact that we have no money to spend. That has actually taken place during this present year—it is not additional.

\*Another point raised by the hon. and reverend Member was in connexion with production from native reserves. I was particularly careful not to distinguish in any way in my speech between the production of native reserves and production from other parts of the country. I have no means of telling from the Railway returns what is native production and what is European production. I have the bookings at the individual stations, some of which may be taken to be entirely native, but in many cases that is not so, and in all my references to the question of production I dealt with production as a whole, production from both Colonies as a whole, and not from any particular section.

I was very glad to hear, Sir, from the Noble Lord, the hon. Member for Ukamba, his appreciation for the work done by many of our staff and his regret that retrenchments should have been necessary. I am sure those regrets are shared by us all, Sir, and will be much appreciated especially by the staff themselves.

In speaking about a complete reversal of policy I was referring more to the policy of extending, building new lines, and that sort of thing, and not to the question of the reversal of policy as regards rates. I was looking at it more from the point of view of the expenditure side of the Budget which concerns the staff we have to provide, and after a very strenuous eight years of extension, building up, opening new lines and stations, we have now got to face a policy that is not even a policy of marking time, it is a policy of going backwards. We have closed stations, shut down facilities and so on. It has not been a question of maintaining our existing staff; it has been a question of reducing our staff and going back. That has been necessary I think for the reasons which I have already made clear, and I think when I gave the figure of five years, which one hon. Member mentioned, I gave that figure as being the least time in which we could possibly recover. I showed that we are budgetting for a total deficit at the end of next year of £500,000; allowing another £400,000 to £500,000 to go to Reserve Account, which will be necessary before we can say we are completely restored, that gives us £1,000,000 that we have got to recover—at the maximum of £200,000 a year, which is a heavy rate, that will take five years. I say in five years at least—it may and probably will be much longer.

I must apologize to the Noble Lord for stating the decision with regard to the maize question in Railway Council was unanimous; actually the Noble Lord did not vote, so that the proper statement should have been it was carried *nem. con.* I am quite sure if the Noble Lord had had time to read the voluminous papers and correspondence which had been

at the disposal of the remainder of the Council he would have voted as they did—I hope so, at any rate.

The question of the loss on maize has been mentioned. The Noble Lord has stated that the loss in 1930 on a direct haul cost basis would have been £12,000—that is so if we had carried it on that basis. Actually we carried it and have been carrying it during the past three years on a peak basis. That is, we have had to buy rolling stock, we have had to have engine drivers and so on, and on that basis the out-of-pocket cost, as I have already explained, stands very much higher. It might have been estimated, and I did estimate it in the memorandum to the Railway Council at £100,000 in each year.

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of explanation, I think the hon. General Manager will agree that on a direct haulage cost basis the loss was £12,000—that is what I stated.

THE HON. THE GENERAL MANAGER, KENYA AND UGANDA RAILWAYS AND HARBOURS: That is quite correct—on the direct haulage cost the loss would have been £12,000, but we did not employ the non-peak method—that would not be a fair cost to apply to the method we employed of moving maize.

The Noble Lord also asked that the Railway Administration should co-operate with the industries and with those interested in development. I should be very glad indeed to give him that assurance. I do not quite know what he means that we should spend money on other traffic to help them but I presume it is not what he means because that is not now possible, but if there is any way in which our staff can help the industries concerned, particularly the maize industry, in spreading their crop over the year, we shall of course be only too glad to do so. We recognize it is a very difficult problem indeed that the maize industry will have to face. The question of conditioning at the Coast comes into it and I am sure also the hon. the Director of Agriculture will do all he can to help in that particular way to enable maize to leave earlier in the year than has been possible in the past.

I think, Sir, that covers all the points I have got noted down. Unless any other Members have any points to raise, Sir, I have done.

HIS EXCELLENCY: The question is that the Estimates of Revenue and Expenditure of the Kenya and Uganda Railways and Harbours, 1932, be approved.

The question was put and carried.

The Council adjourned till 10 a.m. on Friday, 4th December, 1931.

FRIDAY, 4th DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Friday, the 4th December, 1931, His Excellency the Governor (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 3rd December, 1931, were confirmed.

#### NOTICE OF MOTION.

THE HON. T. J. O'SHEA: Your Excellency, may I have the leave of the House to withdraw the notice of amendment of motion of mine appearing on the Order Paper, and substitute therefor the following motion in order to facilitate procedure:—

“That in the Report of the Select Committee on the Estimates for 1932 the following words be inserted immediately above the Clerk's signature on page 34:—

Mr. O'Shea attended the greater part of the meetings but declined to sign the Report.”

#### ORAL ANSWERS TO QUESTIONS.

##### NAIROBI WATER SCHEME EXTENSION.

CAPT. THE HON. H. F. WARD asked:—

“What is the position in regard to the proposed Nairobi Water Scheme Extension (Ruiru), and upon whom does the responsibility rest for the prolonged delay in dealing with what is admitted to be a most urgent matter?”

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN): In 1925 the Municipal Council engaged Mr. Maxwell, of Messrs. Rand Overy and Maxwell, to report to them on the present water supply of the town and possible new sources of supply. Mr. Maxwell made five reports, and in the last, two, dated February and April, 1928, he put up three alternative proposals, based on (1) the Ruaraka River, (2) the Chania River, (3) the Ruiru River. The Council chose the third scheme, and in September, 1928, Government informed them that it considered there was justification for preparing a detailed scheme

for tapping the Ruiru River, and advised the Council that the preparation of a detailed scheme with detailed estimates of cost should be put in hand for consideration.

2. In the latter part of 1930, discussion took place with the Council in regard to the obtaining of expert advice on both its water schemes and also in regard to sewerage, as a result of which the Council made an application for assistance from the Colonial Development Fund for the purpose of obtaining such advice.

3. In January, 1931, the Town Clerk forwarded copies of a report prepared by the Municipal Engineer, dated 10th December, 1930, with reference to the proposed water supply from the Ruiru River, and in July a copy of a further report was received, in which the estimate of the cost of the scheme made in the first report was increased from £200,000 to £232,100, owing to a proposal to substitute an 18 in. diameter main for a 16 in. diameter main. The Council was informed on July 21st that Government would have to be fully satisfied on highly expert technical advice that a scheme involving the expenditure of so large a sum of loan money was in all its details wholly sound; and that a report and approval of a firm of consulting engineers specializing in this branch of engineering would command general confidence. Information was received on the 26th November that the application to the Colonial Development Fund had not been approved.

4. On November 25th Government received an application from the Council for sanction to raise a loan of £232,000 for the purpose of providing an additional supply of water, and for the approval of the scheme for the obtaining of such additional supply from the Ruiru River.

The reports of the Municipal Engineer referred to in para. 3 above, and the plans which followed them, constitute nothing more than a reconnaissance for the purpose of a preliminary estimate, and the preparation of a final and detailed scheme, based on a complete investigation of the problem and containing the requisite drawings and specifications, still remains to be undertaken.

5. On November 4th the Council intimated that they could not proceed with the preparation of any further details in connexion with this scheme until a decision was given that they would be permitted to abstract 5 cusecs from the Ruiru River. It will not be possible to give a definite assurance on this point until a hydrographic survey of the river has been made. This will be done by Government towards the end of February, when the Ruiru River and its tributaries will be at their lowest. Riparian interests will also have to be consulted.

The Council had been informed in July that Government was of the opinion that there was no cause for uneasiness on the part of the Council in regard to possible competing claims on the resources of this river by the East African Power and Lighting Co., Ltd., but that without careful consideration of the flow records of the river permission to abstract 5 cusecs, if necessary, could not at this stage be given. It is unfortunate in this regard that the Council ceased to take gaugings of the river near the proposed intake between January 6th, 1930, and last month. Eight records were taken during the previous year.

6. The questions whether active steps should not be taken forthwith for the preparation of a final scheme before the results of the Council's application for priority to 5 cusecs can be known, and whether this work should be done by the Council's staff subject to the subsequent advice of consulting engineers, or should be handed over at this stage to consulting engineers, are now under reference to the Council.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I beg leave to give notice of the following question:—

"Will Government state immediately their intentions in regard to resuscitating the operations of the Board of Agriculture?"

#### SUSPENSION OF STANDING ORDERS.

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.): Your Excellency, with your leave, Sir, I beg to move that Standing Rules and Orders be suspended to enable—

A Bill to Amend the Customs Tariff Ordinance, 1930,

A Bill to Impose Duties of Excise,

A Bill to Amend the Beer Ordinance, and

A Bill Relating to Excise Duties Agreements,

to be taken through all their stages without due notice; and further, Sir, on the assumption that the Bill to Amend the Customs Tariff Ordinance, 1930, passes all its stages to-day, to enable a motion to be taken without due notice for approving the proclamation of Your Excellency imposing the suspended duties suggested in that measure.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second the motion.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, Members on this side of the House do not propose to oppose this motion, but our acceptance of it must not be

for tapping the Ruiru River, and advised the Council that the preparation of a detailed scheme with detailed estimates of cost should be put in hand for consideration.

2. In the latter part of 1930, discussion took place with the Council in regard to the obtaining of expert advice on both its water schemes and also in regard to sewerage, as a result of which the Council made an application for assistance from the Colonial Development Fund for the purpose of obtaining such advice.

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6. The questions whether active steps should not be taken forthwith for the preparation of a final scheme before the results of the Council's application for priority to 5 cusecs can be known, and whether this work should be done by the Council's staff subject to the subsequent advice of consulting engineers, or should be handed over at this stage to consulting engineers, are now under reference to the Council.

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A Bill Relating to Excise Duties Agreements,

to be taken through all their stages without due notice; and further, Sir, on the assumption that the Bill to Amend the Customs Tariff Ordinance, 1930, passes all its stages to-day, to enable a motion to be taken without due notice for approving the proclamation of Your Excellency imposing the suspended duties suggested in that measure.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second the motion.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, Members on this side of the House do not propose to oppose this motion, but our acceptance of it must not be

taken to imply that we agree with all the Bills which are to be brought up under this motion to suspend Standing Rules and Orders.

HIS EXCELLENCY : I will put the question.

The question is :—

“That Standing Rules and Orders be suspended in order to enable—

The Customs Tariff (Amendment) Bill,

The Excise Duties Bill,

The Beer (Amendment) Bill,

The Excise Duties Agreements Bill,

to be taken through all their stages; further, in the event of the Customs Tariff (Amendment) Bill being passed through all its stages, that a motion authorizing a proclamation under the Customs Tariff Ordinance be introduced without due notice.”

The question was put and carried.

## BILL.

### FIRST READING.

#### THE CUSTOMS TARIFF (AMENDMENT) BILL.

On motion of the hon. the Commissioner of Customs (Mr. G. Walsh) the Customs Tariff (Amendment) Bill was read a first time.

### SECOND READING.

#### THE CUSTOMS TARIFF (AMENDMENT) BILL.

THE HON. THE COMMISSIONER OF CUSTOMS : Your Excellency, I beg to move the second reading of a Bill to Amend the Customs Tariff Ordinance, 1930.

This Bill, Sir, which is being enacted simultaneously in the three territories to-day, raises no new principles but extends certain principles already approved by this House.

As regards clause 2, section 4 of the original Tariff Ordinance excludes from the definition of value for Customs purposes any Excise duties chargeable in the country of origin. It is considered that the exclusion of Excise duties and the inclusion of Customs duties for purposes of assessment of the current domestic value is indefensible, as it results to the detriment of the British entrepôt trade, particularly now that a tariff on many foreign manufactured articles has been imposed in the United Kingdom, which therefore become chargeable with Customs duty and are subsequently re-exported to

this country. It is therefore proposed to allow deductions of both Customs and Excise duties when assessing the value for the purposes of Customs in the country of origin.

Clause 3 of the Bill amends the Tariff Schedule in certain particulars, the tendency generally being upwards, and resulting in a net estimated increase in Customs revenue accruing to Kenya of £8,500, to Uganda £2,500, and to Tanganyika some £7,000. Certain extensions to the list of exemptions have also been incorporated, the principal ones being aeroplane parts, sugar clarifying agents, and materials imported for the packing of local produce. I can explain the various proposals in greater detail during the Committee stage, but perhaps it will assist hon. Members if I touch on the more important items at this stage.

Item 7 (a) empowers the Government to impose a suspended duty of Sh. 1/50 per 100 lb. on wheat in the grain and an additional Sh. 1/50 per 100 lb. on wheat flour. If imposed, the total duty on wheat would then be Sh. 9 per 200 lb. bag and on wheat flour Sh. 12 per 200 lb. bag. A motion to apply these suspended duties in Kenya will be discussed at a later stage of to-day's session.

Various proposals have been submitted to this Government by the wheat-growing interests for the prohibition or virtual prohibition by the imposition of a prohibitive rate of duty on the importation of wheat products. Government has found itself unable to accept this advice, believing that the best interests of all concerned—that is, both of the producers and the consumers—will best be served by a reversion to the total duty on flour which was operative prior to April, 1930. Full details of the various arguments will be found in the paper which has been laid on the table of the House this morning.

Item 7 (b) provides for the imposition of a suspended duty of Sh. 2 per 100 lb. on rice in the grain. As hon. Members are aware, the territories consume a very large quantity of rice, some 8,000 tons having been imported into Kenya and Uganda in 1930, of which nearly one-half originated in Tanganyika Territory. 3,000 tons of rice were imported into Tanganyika Territory during the same period.

As hon. Members know, rice-growing is a purely native industry, and is common to all three territories, though at the moment Tanganyika Territory is by far the largest producer. There is every reason to believe that the industry is capable of very considerable expansion, and that it should be possible to meet the needs of the territories; so far as the ordinary rice of the quality of halwa is concerned, by local production, thus eliminating in due course the necessity for



importations from overseas. On these grounds, it is proposed to afford additional shelter to the industry by empowering the Government to impose a suspended duty of Sh. 2 per 100 lb. on imported rice, and by applying this duty by proclamation to-day.

Item 17 institutes an alternative *ad valorem* duty on imported condensed and dried milks in order to ensure that these products are not imported at a duty equivalent to less than 20 per cent, which is the rate charged on other provisions.

Item 21 is merely a small amendment of classification.

Item 23 is extended to include all importations of sugar, including jaggery. Under the 1930 Ordinance, sugar imported in packages of not more than 28 lb., sugar candy, etc., were excluded from the operation of the charge of Sh. 6 per 100 lb. plus a suspended duty of Sh. 6 per 100 lb., but it has been found that this limitation is proving detrimental to the local industry, as sugar from Amsterdam and Hong Kong is now being imported in 25 lb. packets to escape the high duty, and for a similar reason sugar candy is imported at 20 per cent for crushing locally.

Item 24 increases the duty on tea from 40 cents to 50 cents per lb., the last being equivalent to the Excise duty which it is proposed to charge on the locally produced article. For a similar reason, the duty on beer is increased from Sh. 2/50 to Sh. 3 per gallon under item 25.

Beverages, cordials and syrups are placed on a specific rate somewhat higher than the equivalent *ad valorem* charge hitherto in force. The majority of these liquids can be produced locally.

An alternative *ad valorem* charge has been inserted in regard to perfumed spirits to cover importations in fancy packings where the value of the container is very often greater than the value of the small quantity of perfumed spirits contained.

The alterations to the next four items are unimportant. The proviso to item 44, excluding aeroplane magnetos, tyres, etc., from the exemption, was originally inserted as a safeguard against the free importation of parts interchangeable with other vehicle parts, but it has been found that this danger is, in fact, non-existent.

Dog spikes have been omitted from item 45, as they are properly railway material, and so free of duty.

Plates and sheets have been inserted under item 58 (h), as being in the same category as the other forms of metal enumerated under this heading.

Under item 61 (a) and (b), the carrying capacity has been amended to read 3,000 lb. in order to bring this classification into conformity with trade practice.

Items 95 and 102 increase the duty on lubricating oils and greases by 5 per cent of the landed value, and include provision for the imposition of an alternative specific charge. The effect, if any, on individual consumers will be extremely small, but the revenue of Kenya is estimated to benefit by this alteration to the extent of £3,000 per annum, Uganda securing an additional £1,000 per annum.

Item 117 is amplified to include phosphoric acid paste and similar sugar clarifying agents, in order further to assist the sugar industry.

Items 118, 140 and 171 have been redrafted to simplify interpretation, and item 164 has also been redrafted to include existing items 58 (k), 120, 131, 134 and 161, and to make provision for the free admission of packing materials, such as tin canisters, seed packets, etc., not included in the 1930 Tariff.

Items 42 and 146 relate to sports goods and requisites, which have hitherto been charged with the low rate of duty of 10 per cent *ad valorem*. It is proposed that these items be deleted from the schedule, thus bringing sports goods under the general clause 174 covering all unenumerated goods leviable with duty at 20 per cent. It is felt that in present circumstances the admission of these articles at a specially low rate of duty cannot be justified.

Clause 4 of the Bill sets out to delete from the Tariff the definition of "piece goods," which definition has the effect of excluding from the operation of item 40 grey sheetings which are defined by selvedge or pattern for cutting up into separate articles. It was originally inserted to simplify administration, but it has the effect of providing a loophole for the admission of certain grey sheetings defined by selvedge or pattern at a rate lower than the specific charge of 30 cents per lb. gross on plain grey sheetings, an illogical position which it is sought to rectify in the manner proposed.

As I have already stated, the net effect of the various proposals will be an estimated increase in the Customs duty accruing to Kenya of £8,500 per annum, and to Uganda of £2,500 per annum.

I submit that the amendments cannot impose a hardship on any individual consumer, and I beg to move the second reading of the Bill.



THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that the Customs Tariff (Amendment) Bill be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I think Government has been rather cunning in the method in which they have introduced this Customs Tariff (Amendment) Bill, because in the course of these proposals there are certain things on the side of protection to help domestic industries which, on this side of the House, we are bound to support; on the other hand, Sir, we stated over and over again recently that we do consider that the right way to get our Budget for the country on a better basis is by a greater reduction in expenditure and not by increased taxation on the population of this country, who are unable to bear it at this time. I am not going into the details of that—that I will leave until we discuss the Select Committee's Report on the Budget—but there are certain items in this schedule which we shall have to oppose from this side of the House because they are purely for revenue purposes and not on any general principle.

Now, Sir, I welcome the increased taxation on such things as rice, condensed milk, sugar—which is not increased taxation but better arrangement so as to avoid the dodging of the duty—and tea, and so on, but there are other items, such as lubricating oils and sports goods, which are purely for getting revenue, and which we shall have to oppose from this side of the House, Sir. I have always understood that the reason sporting and athletic goods have been at the cheaper rate is because it was considered for the health of the community at large that such forms of sport and exercise should be encouraged. I believe that has always been the argument.

Now, Sir, there is one particular item in this which I do wish to speak about at rather greater length, and that is Government's proposal for increasing the duty on wheat flour. Unfortunately, I have only just had this memorandum by Government—I have not had time to study it; I have only glanced quickly through it—but I should like to make it quite clear, Sir, that what we feel is that it is entirely wrong at a time like this, when we can produce good wheat in this country from which we make excellent flour, that we should be exporting wheat from this country and importing flour, which has a directly adverse effect on the balance of trade of the country. Some time ago, Sir, as you will remember, we had a discussion on this with the Commissioner of Customs and others, and it was agreed between us that that adverse trade balance amounted to about £33,000 on present conditions. Now, Sir, I think it is admitted by Government, as well as

being our belief, that this addition of Sh. 3 will not to any material amount stop the importation of wheat products. I understood from the Commissioner of Customs yesterday he thought possibly there might be a reduction of about 25 per cent. That, Sir, still leaves us with a big proportion of this adverse balance of trade, which in these present times I feel very strongly should be altogether done away with. Personally, I should have much preferred, instead of having to put on higher duties, the total prohibition of the import of flour products, and that they should only be allowed in under licence; and at the same time that Government should have power to control the price of local flour in this country, so that the consumer should not be exploited. What has faced the Wheat Advisory Board, of which I happen to be chairman, of recent months is the terrible falling off in the amount of wheat which is being milled at the mills during the last few months, Sir. Up till January and February of this year there was an average of between 11,000 and 12,000 bags a month milled; in September last there were only 4,000 bags milled; but I am glad to say that in October and November there has been a slight increase. Now, Sir, this Sh. 3 of itself, I admit, will help, but of itself it will not rectify the position. The only hope left now to the industry is that the world price of wheat may improve so much as to help us in such a way as Government has not seen its way to do. But the fact remains that the whole industry is in a very critical position. The highest price we can pay for wheat in this country is Sh. 17/50 a bag, and that is only for wheat of abnormally high quality—62 lb. to the bushel and over. That is actually above the highest quality which the Government here recognizes. I think 51 lb. a bushel is the first grade recognized by Government, and the price of that in the future will be Sh. 17 a bag. The average price will be about Sh. 16 a bag; in the Wheat Advisory Board we have reorganized the grades and price figures, but you can take it at about Sh. 16 a bag. It is not possible to produce wheat very very cheaply, and at Sh. 16 a bag, unless a man can produce at least five bags to the acre, it is not worth his while to grow it. If we have to export a lot of wheat at a cheap price of course the pool price comes down very much. The average pool price for the past year worked out at about Sh. 9/50 a bag. The top price for the highest grade was Sh. 10/70, I think, but the average price was about Sh. 9/50 to the grower, which I do not think anybody will suggest is a possible price to make wheat-growing a profitable occupation. In other countries, such as South Africa, the grower is guaranteed 22/6d. a bag for his wheat; in Rhodesia they get 25/- a bag; in Germany I believe they get something like 26/- a bag, where the Government does adequately protect the growers.

Sir, I am extremely disappointed that, in spite of the representations which I and others have put up to Government, my advice has been turned down, and we have only got this very meagre assistance, which will not effect the object which we have in view, which is to enable us to capture the whole of the trade in these countries, and not have to export our surplus wheat and import at very much higher prices to the detriment of the trade of the country. I have just glanced through this memorandum. I see it is suggested—I think it says something about "Government thinks this is the best way to help both the producers and the consumers." Well, Sir, I do not believe that is borne out by the facts. If you take Mombasa, where they use only imported flour, where they do not pay rail charges, the price of bread is, I think, 33 per cent higher than it is in Nairobi. Another point, Sir, which I think is rather lost sight of is that it is cheaper to bring a bag of flour from Bombay to Mombasa than it is from, say, Njoro to Mombasa. I do not know whether there is any hope of persuading the Railway Authorities to apply export rates on flour down-country to Mombasa. So far I think they have not looked favourably on that, but that would naturally, Sir, be an enormous help to enable us to get the trade at Mombasa. When I say that the average price is Sh. 16 a bag—for sales to Mombasa and Dar es Salaam, where we have tried to gain the trade, we have had to give a rebate of as much as, to Dar es Salaam, Sh. 11 per bag, which brings down the price to Sh. 5 or Sh. 6, which actually is less than the value of export now; and to Mombasa it is now, I think, Sh. 7/50, Sir. So it will be seen that we have done our very best to try and capture the trade by reducing the price of wheat to the grower so that it would enable the mills to reduce the price of flour, but in spite of that, in spite of the fact that flour is better to-day than it has ever been before—I say without hesitation that it is as good flour as you could want.—I myself have never had an ounce of imported flour in my house for some years now, and I think anyone who did me the honour of staying with me would be satisfied with the bread, scones, pastry and cakes I could provide. Even though, as I say, the flour is of this high quality, there seems to be a definite prejudice against buying this local flour, and people, especially at Mombasa, will go on using nothing but the imported flour. Sir, Government have not seen their way to do what we have asked. I do, Sir, here and now make an appeal to the people of this country at least to do their part in supporting this industry and preventing many of the farmers engaged in it from going bankrupt altogether by insisting on buying bread made of local flour and on buying local flour for their own use. I think that is the least the people of the country can do, even if the Government will not help us to keep out this importation.

THE HON. CONWAY HARVEY: Your Excellency, I agree entirely with everything the Noble Lord has said, but I am very sorry indeed, Sir, that Government has not taken this opportunity of purging itself from this stigma attached to a breach of faith in connexion with recent Customs changes. I refer particularly, Sir, to a change which was made, I think, on the penultimate occasion when there was a change of tariffs, about eighteen months ago, in which a duty crept in on common salt, which is very very irritating to all the farmers of this country, especially pastoralists. We were told on that occasion by Sir Edward Grigg that the Acting Commissioner of Customs would explain in very great detail all the changes which occurred in the Bill of that date. Quite inadvertently I admit, Sir, he omitted to mention the fact that for the first time a duty was imposed on common salt. Representations were made to Government, Sir, and His Excellency very kindly entered into negotiations with Tanganyika and Uganda, who obviously were interested, with a view if possible of reverting to the *status quo*. We should be very glad to hear, Sir, what was the result of such negotiations, and whether Government can to any extent justify its attitude in imposing on that occasion for the first time a duty on common salt which is a very necessary agricultural commodity. I notice, Sir, that advantage has been taken of this opportunity to remove the duty on clarifying materials used in the process of sugar manufacture; I suggest that common salt comes very much in the same category, and should be treated in the same way.

THE HON. T. J. O'SHEA: Your Excellency, these proposals are such a confection of sugar candy and castor oil that it is extremely difficult to define one's attitude. With the Noble Lord, I object to many of the proposals, because they are undoubtedly brought forward solely for the purposes of revenue; additional revenue, and I cannot support any such proposals until I am satisfied, as I am not yet, that Government has done all it could do to balance their Budget by reducing expenditure. I have also a strong objection to most of these proposals—an objection which may not be shared by many of my colleagues on this side of the House, though possibly the objection would find favour on the other side—in that I dislike a system of taxation dependent so largely upon Customs revenue. It is a system under which the incidence of taxation is most inequitable, and which has involved us to an unnecessary extent in the taxation of foodstuffs. Under these proposals the additional £8,500 which is going to be raised will come very largely out of the pockets of the people least in a position to pay. That I regard as a strong objection to these proposals. That it will come very largely out of taxation upon

foodstuffs I regard also as a perfectly legitimate objection to these proposals. Curiously enough, I do not regard as a subject to object to—as being a tax on food—the increased duty on wheat flour. That is because it need not be paid. That foodstuff is being produced in the country, and the memorandum put before us this morning—rather late in the debate, seeing that we were discussing this proposal this morning—goes to show that the imposition of this tax has not had the effect of increasing the cost of the foodstuff; that, in fact, under these protective measures, our wheat industry has succeeded in giving the public a better flour at a lower price. Therefore, in supporting this increased taxation upon wheat imports, I am not being inconsistent in my attitude on the taxation of foodstuffs. And on the same grounds, I can express my great regret that Government has not seen fit very much to increase this tax so as to achieve the effect of shutting out imported flour. It is obvious from their attitude that they are very much more concerned about the balancing of the Budget than about the balance of trade. I for one regard the balancing of the Budget as subsidiary to the balance of our trade, because while we may, by balancing our Budget, maintain for the time being a pretty picture to satisfy the people within the country and without, you are in my humble opinion, leaving the real critical situation unsolved if you do not attempt to bring about a better balance of our trade than exists at the present time. One way by which you could have gone some way towards achieving that is by the definite exclusion of imported wheat products. I think, in the situation in which we find ourselves to-day, that it is most unsound economics that we should allow our wheat, costing something in the neighbourhood of Sh. 10 a bag, to be sold to overseas markets at Sh. 3 to Sh. 4 per bag, and allow flour to come into the country at a very much higher price. It is most unsound economics, and though for the time being the Government may not feel it, it is a canker in our economic system; I believe in twelve months' time we shall feel the effects of it very much more than we do to-day. For these reasons I am very sorry indeed that Government has not seen fit to increase further the duty on imported wheat products.

The duties on tea and rice I dislike very much indeed because it means additional cost of practically essential foodstuffs. The increase in the consumption of tea by the native population during recent years is generally regarded by friends of natives as a very good sign and something to be encouraged.

THE HON. CONWAY HARVEY: They can buy local tea.

THE HON. T. J. O'SHEA: Which can again be taxed. The consumption of tea is regarded as evidence that they are changing their style and their standard of living, and I think the imposition of this tax, accompanied as it will be by a tax on the local article, is to be regretted.

The extra duty—the 50 per cent increase in the duty on grease and oils is excused by the hon. member on the ground that no individual will feel it, inasmuch as it is a negligible thing on the quantities consumed by the individual. I do not take that view at all. It is estimated to bring in £3,000. That means that even if the consumer is not charged the higher price for the grease and oils—and I agree it is unlikely that he will be—there will be £3,000 more taken out of the gross profits of the wholesalers, and that £3,000 which has been taken from them will have to be made up in some other fashion; and so eventually it comes back to the consumer; and I think it is futile for the hon. Member to try and argue that because the consumer does not pay for it directly that he does not pay for it indirectly.

I regret very much that Government should have gone back on a policy which has found favour in the country for a long period of years in allowing a very low rate of Customs duty on sports requisites. I have heard it argued, or rather stated—it never has been argued, but it has been affirmed over and over again—that in a country like this sport and recreation should be encouraged, and Government has given it a certain amount of encouragement by allowing sports goods to come in at a low rate of duty. We are now, without, in my opinion, any real necessity, going back on that policy, and I shall oppose the passage of the clause under which the duty on sports goods is increased by 100 per cent.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I also have much pleasure in supporting the Noble Lord in his request for the prohibition of the import of flour into this country. To the credit of the local producer he said, Sir, very few indeed have ever taken advantage of a protective duty, and I disagree with the Noble Lord in his suggestion that Government stand by and regulate the price of the local produce, because I do not think they have ever put it up unnecessarily.

I think, Sir, that we have to consider the wishes of our neighbours, Tanganyika and Uganda, if only from a social point of view. I intend to reserve my right to vote against any particular item in this Bill where I think it would hurt the general public in increased taxation for the simple reason that I think Government might have adopted a very much better method for saving some £8,500.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency on general grounds I am opposed to the passage of the Bill. To my mind, it is an insidious Bill, and is not a straight-forward issue at all. The issue before the country is a financial one—whether we balance or do not balance the Budget. I am satisfied that the Government has not faced the issue squarely. They have not accepted the recommendations which would to my mind be advantageous to the country; hence irritating taxation is brought before Council. It is also visualized in this Bill—one has to visualize a Bill to impose duties on excise. It appears that the Excise Bill that has come up this morning imposes excise duty on certain articles in the Colony, and to even the situation as it were, it is proposed to increase the Customs duty on similar articles coming into the country. Opportunity has been taken also in bringing forward this Bill to put on taxation on several items of the Bill which I intend at a later stage to vote against.

Generally the effect of the taxation under this Bill will be borne by the non-native population of the country. It is an imposition or a burden on the commercial community, in that the taxation proposed here will not go beyond the wholesale merchants. It is also a taxation on individuals—the increased tax on beer cannot be passed on to the consumer; it will have to be borne by the hotel proprietors themselves. In many ways it is a Bill which has a great number of objections. I note a certain amount of giggle and laughter on my right and left when I mention hotels, but I maintain that a very large amount of capital is invested in the Colony in hotels. They are a very necessary institution; they are carried on as institutions in this Colony, and I do not believe that anywhere in the world that I have been are they better equipped than they are in Kenya. They are a convenience, not only to the local population but also to tourists and the travelling public, and they are as deserving of as much consideration as anyone else. It is also an increased taxation on sport to which I have an objection. It would appear that everything is recognized as a luxury now but two pounds of *posho* and one pound of beans. I would remind this House that not very far back they did pass a Daylight Saving Bill. The great majority of Members sitting on the opposite side of the House voted for that Bill. The arguments in favour of it were not only the improvement of sport, but of recreation, which has sport of every form behind it. If they were logical in that they are illogical now in increasing the duty on sports requisites.

On those grounds, Your Excellency, I intend to oppose the Bill but reserve the right to vote for certain measures. I endorse everything that has been said with regard to the

wheat and flour situation. I say definitely that Government have not faced the situation, which is a grave one. It is a help; everything is a help; but it is not what could have been expected. I maintain the sacrifice of £40,000, which I think is the amount which accrues to revenue through customs on imported flour, etc., that you would have more than made that up by the additional amount of money that would be circulating within the Colony. I think it is a very poor effort to meet a very deserving and struggling industry in the Colony.

COL. THE HON. W. K. TUCKER: Your Excellency, the very nature of this proposed legislation has precluded us from giving the amount of thought which one usually does to Government proposals. I say that despite the courtesy which you showed us yesterday in disclosing in advance these proposals. The only thing to do is to deal with one's uppermost thoughts and I must say mine are in the main more appropriately expressed when we come to the Bill to impose excise duties, views which are not by any means wholly unfavourable to Government's point of view. I am bound to support the attitude taken up by the Noble Lord, Sir, with regard to certain items in this schedule, if for no other reason than to stand by the very definite statement made by the Elected Members in the Select Committee's Report, which does clearly indicate that we on this side of the House must at all events wait until next week and hear Government's final view on the question of 1932 expenditure before we can agree to any form of what we describe as general taxation.

There are just two points, Sir, following up what the Noble Lord said regarding wheat which I should like to make. I have heard Government say on more than one occasion that a greater duty than the one proposed in this schedule would be indefensible. Well, Sir, for my part, I can quite conceive that eventually a greater duty might be indefensible but I do want to make this case out that we are passing through a definite experimental period from two points of view. In the first place, Government itself, despite the expenditure of large sums of money, despite the application of brilliant thought on the part of certain officers, have not yet discovered the ideal type of wheat best suited to this country. Side by side with that, Sir, it has been regarded, and regarded rightly I believe, by the pioneers of this country that we should go on sorting out the land which is particularly suited to the production of wheat. That inevitably means that during these pioneering years while it is possible for those few farmers who are already operating on the best of the land to be successful, it is inevitable that in sorting out that land the average production per acre is materially brought down, and if we are going to develop this country I suggest to you, Sir, that for a term we have to fight for a duty that not

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merely protects the export wheat farmer operating on the best land but we are only going to build up this wheat industry to its proper dimensions by protecting to an increased extent those people who are experimenting, and that cannot be done in one or two years because land may be proved quite unsuitable with one type of wheat and the next year Government may bring along something which makes the land much more suitable. That is one point with regard to wheat, Sir. What I intend to convey is, what I intend to advocate is that we do not necessarily press for this very much higher rate of duty in perpetuity. We merely claim it is so essential to-day and during the remainder of the pioneering stage.

The second point with regard to wheat, Sir, I venture to offer is this: we have understood that one element in Government's attitude has been the views, or anticipated views, of Tanganyika and Uganda in the matter. Now I venture to suggest that by reason of the legislation which you are proposing this morning we are putting ourselves on rather better terms with Uganda and Tanganyika and I therefore suggest, Sir, that while we may have to let the position go through as printed to-day yet there are good grounds for re-exploring the position with those two countries. In other words, there should be and probably will be more disposition on the part of a country like Tanganyika to co-operate with us in building up this wheat industry by promising to apply to the full the suspended duties. There is much more prospect of their favourable consideration, I suggest, Sir, after we have gone some considerable distance, as we may do to-day, to meet their point of view. So much for wheat.

Just one word with regard to tea which is in this schedule. After we left you yesterday, Sir, the hon. Member for Nairobi North and myself spent the remainder of the day with the Chamber of Commerce who devoted a great deal of time to the question of the dumping of tea in this country. I do not want to develop that at this stage beyond one sentence, and that is that it would help us all in dealing with this problem this morning if Government would in their reply state in this House what we understand they have stated outside, that they are very alive to the situation; that they are watching very closely the similar legislation which we understand is to be produced in England, and that the tea growers of this country can rest assured that from the dumping point of view Government is most sympathetic and most active.

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE: Your Excellency, I propose to support this Bill and also I am very pleased to support the suggestion of the increased duty on flour. I would, Sir, too have supported it had the duty been raised higher though I doubt, Sir, whether I would have

approved of the total prohibition of it.—Imported flour now must be looked upon as a luxury and people, if they wish to use luxuries, should be prepared to pay for them. I trust, Sir, the suggestion that local flour for local use in Mombasa may be taken by the Railway authorities at the export rate will be seriously considered. As regards the duty on lubricating oils, I trust that this may be an impetus to this country to produce its own lubricating oils. We can produce nearly all the seeds that are required for the manufacture of these things and I see no reason why we should not make our own.

THE HON. F. A. BEMISTER: Your Excellency, I would not have intervened in this debate except for a remark of the hon. Member for Plateau South, and I feel confident that I hardly heard him correctly. What I heard him say was that he did not agree with the duty on rice—that is what I heard him say, Sir. I cannot believe that he has examined the question because, Sir, I think you will find that this is the first time in the British occupation of this country when a definite attempt has been made to help the native industry. Sir, the Tana Delta used to be the granary of the East. At that time when you took it over you abolished the slave trade and you abolished the rice industry, but your policy, undoubtedly with good intentions, did not raise the slaves to the level of their masters but reduced the masters to the level of the slaves, and to-day, Sir, this slight protection I hope will encourage and it may encourage—I hope it will be increased—the cultivation of rice in that wonderful area and will bring back to that part of the Coast its great prosperity of former days.

HIS EXCELLENCY: If no other hon. Member wishes to speak I will call upon the mover to reply.

CAPT. THE HON. H. F. WARD: Before the hon. mover replies, Sir, I have been asked to ask if he will state in his reply the position in Tanganyika Territory and Uganda in regard to the suspended duties at present in operation and the others contemplated under this Ordinance.

I should like, Sir, just very briefly to support what has been said by the Noble Lord in regard to the wheat industry because I have been assured by the principal bakers in this town that there is no possible justification to-day for the importation of flour for any grade of work in the bakeries in the town.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, there are very few points on which I have to reply. The position of Government in regard to the importation of flour is very fully set out in the memorandum which is before

the Council at the present time. There was one figure which the hon. Member for Ukamba quoted—that was an estimate of mine in regard to the reduction in the importation. He was quite right in stating that I do anticipate there will be a 25 per cent reduction in direct consequence of the increase in duty, but there may be other factors, such as an increase in the price of flour consequent on the increase in the price of wheat, which may further reduce importations; in addition to which, of course, this local flour may very easily become more popular—so far as I am concerned I personally hope it will, and hope it will eliminate overseas competition in due course.

Several members objected to the duty on sports goods. I should like to point out to them that it is not a luxury duty which is being imposed at the present time. It is only really an addition of the duty from 10 per cent to the basic duty of 20 per cent which is charged for practically all the necessities of life including cotton piece goods and things of that sort. I cannot see personally that there is any justification in present circumstances for retaining the duty at so low a rate as 10 per cent.

The hon. Member for the Lake mentioned that at the penultimate discussion of tariff matters the question of common salt was discussed, but he is incorrect in stating that up to date common salt was free of customs duty because in 1928 the duty collected on imported salt amounted to £8,500 and in 1929 to over £9,000. He will also see in item 21 (a) and (c) that rock or crushed salt imported in bulk and curing or dairy salt imported in bulk are both free of Customs duty. I think the sort of salt to which he refers is ordinary common salt which is suitable for human consumption and which is sometimes used for agricultural purposes.

**THE HON. CONWAY HARVEY:** On a point of explanation. Your Excellency, may I make it perfectly clear that ninety-nine per cent of the stock farmers of Kenya use common salt and not rock salt for their cattle, the cost being prohibitive.

**THE HON. THE COMMISSIONER OF CUSTOMS:** As was explained, Sir, in 1930, the 1930 Customs Tariff Ordinance set out to expunge from the tariff any question of intention to tax common salt so imported and which can be used either for human consumption or for agricultural purposes. It is quite impossible for the Customs Department to say how it is used once it goes out of Customs control and precisely the same difficulty arose in regard to power paraffin some time ago when an Ordinance was enacted which allowed for a rebate of duty on power paraffin because there could be no departure from the Customs Tariff Ordinance.

The hon. Member for Plateau South mentioned the question of the balance of trade and suggested Government might do something to redress the adverse balance. I suggest Government can redress the adverse balance by stimulating exports. In addition to that, of course, this increased duty on rice and flour will have some effect on importations and finally I hope will help to redress the adverse balance.

The hon. Member for Plateau North drew attention to the vexatious taxation and mentioned that it would be borne by the non-native population. I agree with him so far as such items as beer are concerned, but apparently in his view that will be borne by the wholesaler. But as far as I am concerned I think it should be distributed amongst all communities.

The hon. Member for Nairobi South drew attention to the abnormal importations of tea and asked for an assurance that Government was alive to the situation and will do what is possible to control it. I may say that the English law on the subject has been asked for and that the question will be examined as soon as it arrives.

Those, I think, are the points which have been raised by various hon. Members. I beg to move that the Bill be read a second time.

**CAPT. THE HON. H. F. WARD:** Your Excellency, the hon. Member has not answered my query in regard to the suspended duties.

**THE HON. THE COMMISSIONER OF CUSTOMS:** The suspended duties as applied in Uganda and Tanganyika? The Customs Tariff Ordinance is an enabling Ordinance so far as suspended duties are concerned and the points to which the hon. Member refers can be dealt with when the motion for the imposition of suspended duties is taken.

**CAPT. THE HON. H. F. WARD:** Can the hon. Member not outline the present position?

**THE HON. THE COMMISSIONER OF CUSTOMS:** At the present time?

**CAPT. THE HON. H. F. WARD:** Yes.

**THE HON. THE COMMISSIONER OF CUSTOMS:** At the present time, Sir, the suspended duty on bacon and ham in the three territories, on butter and cheese in Kenya, on wheat flour in the three territories, on maize and maize flour in none of the territories, on tea in Kenya and Tanganyika, on sugar and jaggery in Kenya and Tanganyika, on timber (other than teak) in Kenya and Tanganyika and joinery in Kenya and Tanganyika.

**HIS EXCELLENCY**: The question is that the Customs Tariff (Amendment) Bill be read a second time. Will those in favour say "aye."

**HON. MEMBERS**: Aye.

**THE HON. CONWAY HARVEY**: On a point of order, Your Excellency, I do not think an opportunity was given for the "noes" to express their views.

**HIS EXCELLENCY**: Would you like to divide?

**THE HON. CONWAY HARVEY**: No Sir. You said, "Those in favour" but you did not say "on the contrary".

**HIS EXCELLENCY**: Will those to the contrary say "no".  
The question was carried.

**THE HON. THE COMMISSIONER OF CUSTOMS**: I beg to move that Council resolve itself into a Committee of the whole Council to consider this Bill clause by clause.

**THE HON. THE ACTING COLONIAL SECRETARY**: Your Excellency, I beg to second the motion.

The question was put and carried.

The Council went into Committee.

#### In Committee.

#### THE CUSTOMS TARIFF (AMENDMENT) BILL.

The Bill was considered clause by clause.

Clause 3.—Amendment of Schedule to Principal Ordinance.

**THE HON. T. J. O'SHEA**: I take it you will take clause 3 item by item?

Item 7 (a) (ii).

**THE HON. T. J. O'SHEA**: Your Excellency, I beg to move that the suspended duty of Sh. 3 be altered to "plus a suspended duty of Sh. 5 per 100 lb."

The question was put and lost.

Item 21.

**THE HON. CONWAY HARVEY**: Your Excellency, I should like to propose that common salt imported in bulk be added to the commodities which are admitted free. I am not the least impressed by the Commissioner's unconvincing explanation, Sir. Table salt is imported as a foodstuff in tins, but common salt is an essential agricultural requirement, and it does operate very hardly on pastoralists if they are called upon to pay this heavy duty.

**LT.-COL. THE HON. C. G. DURHAM**: I would like to support the hon. Member.

The question was put and lost by 11 votes to 20.

**Aye.**—Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Canon Leakey, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

**Noes.**—Messrs. Hemister, Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Logan, MacGregor, General Rhodes, Messrs. Rushton, Sikes, Wade, Walsh, Col. Watkins, Mr. Welby, Col. Wilkinson.

Item 25.

**THE HON. T. J. O'SHEA**: I beg to move the deletion of this item, which presumably will have the effect of leaving the duty as it is at present. I understand, Sir, it has merely been included because it is proposed to increase the duty on local beer, for which I see no necessity. I therefore beg to move its deletion.

**THE HON. THE ACTING COLONIAL SECRETARY**: The deletion in the third line of the clause?

**THE HON. T. J. O'SHEA**: Yes. I take it, if any changes are made, which seems unlikely, that we shall go back and revise the numbers.

The question was put and lost.

Item 95.

**THE HON. THE ACTING COLONIAL SECRETARY**: I beg to move that in item 95 the word "and" be inserted between "axle" and "lubricating" which, unfortunately, has been omitted here.

**THE HON. T. J. O'SHEA**: I beg to move the deletion of that item.

**HIS EXCELLENCY**: The second amendment proposed is for the deletion of the item.

The question was put and lost.

**HIS EXCELLENCY**: The first amendment is for the insertion of the word "and" between the words "axle" and "lubricating."

The question was put and carried.

Item 102.

**THE HON. T. J. O'SHEA**: I beg to move the deletion of this item, Sir.

The question was put and lost.

Item 146.

**THE HON. T. J. O'SHEA**: Before we come to 164, may I move the reinsertion of item 146, which, I understand, will have the effect of retaining sports goods at the present duty of 10 per cent.

**LT.-COL. THE HON. LORD FRANCIS SCOTT**: Your Excellency, in speaking in support of this amendment, I should like to ask the hon. the Commissioner of Customs why it was that this was agreed to by the—I do not know whether you would call it the Tariff Conference of Commissioners of Customs two years ago—and why he should now change his mind and think it now should be altered.

**THE HON. THE COMMISSIONER OF CUSTOMS**: At the conference two years ago, the policy was definitely—as hon. Members will probably remember, £75,000 was at one time set aside for the reduction in the tariffs. It must be obvious to everybody that the whole position has changed.

**THE HON. T. J. O'SHEA**: What is the amount it is estimated to get from the increase on these?

**THE HON. THE COMMISSIONER OF CUSTOMS**: Roughly, Sir, I should say about £5,000.

**THE HON. T. J. O'SHEA**: What it means is this: The existing tariffs, failing to squeeze as much out of people as Government would like to get, that you have to resort to every possible device to squeeze a few odd pounds out of them here and there. In addition to this,



you are proposing in another Bill to raise taxation from entertainments of one sort or another. What it means is that no matter what happens Government will insist upon its pound of flesh, even if people are in such a state that they have nothing to live on according to any reasonable standard of living.

LT.-COL. THE HON. C. G. DURHAM: They are going to lose five per cent of their income. You are going to add a tax on those very people who go in for sport more than anybody else. I support the amendment.

CARR. THE HON. H. F. WARD: May I add my support for the amendment. Until we can be satisfied that Government are really going to do something substantial we must oppose any measure of this sort.

HIS EXCELLENCY: The question is that item 140 be deleted.

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of order, Sir, there is nothing in this Bill about it—it is deleted.

THE HON. THE ACTING COLONIAL SECRETARY: Might I draw the Noble Lord's attention to the beginning of the clause at the top of page 2, where we find, Sir, that by the deletion of certain items, including that one, the clause is amended.

The question was put and lost.

Item 171.

LT.-COL. THE HON. J. G. KIRKWOOD: I should like to move an amendment to 171, to include toys as free gifts.

THE HON. THE COMMISSIONER OF CUSTOMS: The answer, Sir, is in the negative. The duty on toys, as mentioned in the tariff, is 10 per cent, and I have no discretionary power in the matter of waiving the duty.

HIS EXCELLENCY: The question is that clause 3, as amended by the word "and" in item 95, stand as part of the Bill.

The question was put and carried.

THE HON. THE COMMISSIONER OF CUSTOMS: I beg to move that the Bill be reported to Council with amendment.

The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that a Bill to Amend the Customs Tariff Ordinance has been considered clause by clause in Committee of the whole Council and has been reported to Council with amendment.

### THIRD READING.

THE CUSTOMS TARIFF (AMENDMENT) BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: I beg to move that the Customs Tariff (Amendment) Bill be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Customs Tariff (Amendment) Bill be read a third time and passed.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned for the usual interval.*

*On resuming.*

### MOTION.

#### SUSPENDED DUTIES.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move:

That this Council do approve the Proclamation of His Excellency the Governor dated the 4th day of December, 1931, imposing suspended duties under the Customs Tariff (Amendment, No. 2) Ordinance, 1931, as follows:

Article.	Suspended duty.
Wheat, in the grain	Sh. 1/50 per 100 lb.
Wheat ground or otherwise prepared	Sh. 3/00 per 100 lb.
Rice, in the grain	Sh. 2/00 per 100 lb.
Sugar, refined and unrefined, including jaggery	Sh. 6/00 per 100 lb.

As hon.—Members are aware, Sir, the Customs Tariff Ordinance of 1930 introduced the principle of suspended duties additional to the basic duty and provided that the Governor, with the approval of the Legislative Council, may by proclamation impose any duty, either in part or in full, referred to as a suspended duty in the schedule to the Ordinance. The effect of this motion, Sir, is to give statutory force to the proclamation which Your Excellency has just signed imposing the new suspended duties on wheat, wheat flour, rice in the grain and sugar in full.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second.

The question was put and carried.

### BILLS.

#### FIRST READINGS.

#### THE EXCISE DUTIES BILL.

On motion of the hon. the Commissioner of Customs the Excise Duties Bill was read a first time.



## THE BEER (AMENDMENT) BILL.

On motion of the hon. the Commissioner of Customs the Beer (Amendment) Bill was read a first time.

## THE EXCISE DUTIES AGREEMENTS BILL.

On motion of the hon. the Commissioner of Customs the Excise Duties Agreements Bill was read a first time.

## SECOND READINGS.

## THE EXCISE DUTIES BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move the second reading of the Excise Duties Bill.

The intention of this Bill, Sir, is to create the simplest possible form of machinery for the collection of excise duties and to impose duties of excise on certain articles enumerated in the schedule, namely, on sugar, tea, tobacco and cigarettes. Similar legislation is being enacted in Uganda and Tanganyika Territory.

As regards the administrative side of the Bill, clause 3 imposes duties on the articles mentioned and at the rates prescribed in the schedule, on all such articles which are manufactured in the territory on and after the 1st January next.

Clause 4 allows for a rebate or refund of excise duty on articles exported beyond the area covered by the Customs Agreement.

Clause 5 authorizes remissions of duty in certain eventualities.

Clause 6 provides that no person shall manufacture an excisable article except on premises licenced under the Ordinance.

Clause 7 deals with the payment of duties, and in applying this clause it is proposed to collect on deliveries from licensed premises, payment being made on a monthly basis, a maximum of fourteen days' grace being allowed in respect of the amounts due on the previous month's deliveries.

Clauses 8 and 9 prescribe the methods of check in the matter of keeping books and records, and inspection of premises and documents for revenue purposes.

Clauses 10 and 11 prescribe penalties; and clause 12 authorizes, in cases of dispute, settlement by the Commissioner on lines similar to those prescribed in the Customs Management Ordinance.

So far as the schedule is concerned, the principal sugar interests and tobacco interests have already signified their general concurrence in the principles contained in this Bill and I should like to take this opportunity of expressing my gratitude to them for the manner in which they have shown every willingness to assist Government in this matter. So far as the tea interests are concerned, there is at present no organization to which reference can be made, but I feel sure that the various tea manufacturers can raise no very serious objections to the proposals, more particularly as the duty proposed is only 10 cents per pound and the duty on imported tea is being increased, or has been increased, from 40 cents to 50 cents per pound. I may say that in ordinary circumstances the local markets of Kenya, Uganda and Tanganyika Territory are already practically secured to the local industry.

The objects and reasons for this Bill are twofold. They aim at securing some offset for the duty which has been lost on the Customs side on locally manufactured articles which are ordinarily charged with a relatively high rate of duty; and also by application of the Excise Duties Agreements Ordinance to give neighbouring territories who are parties to the Customs Agreements some compensation for the Customs revenue lost by reason of their allowing these products a free and sheltered market which would otherwise be supplied from overseas and charged with Customs duty on importation.

To illustrate these two points, the duty on tea imported into Kenya and Uganda has fallen from £20,000 collected in 1928 to £8,000 collected in 1930 and collections during 1931 will probably not reach £4,000. In Tanganyika Territory there was a reduction of £1,500 over the same period and I understand that a large decrease in importations from overseas to Tanganyika Territory has taken place during the current year by reason of the fact that tea produced principally in Kenya is being shipped in increasing quantities to Tanganyika.

The duty collected on sugar imported into Kenya and Uganda fell from £50,000 collected in 1928 to £20,000 collected in 1930, and the imposition in Tanganyika Territory of the full suspended duty as from January last has greatly stimulated the consumption of the local article in that Territory with a consequent contraction in imports from overseas.

Tobacco imports have not yet been affected to any considerable extent by local activities but the tobacco manufacturing industry is rapidly expanding and this must have an effect in due course on the imports of tobacco (a high duty commodity) into all the territories.

By the imposition of the duties proposed under this and the Beer (Amendment) Bill a total sum of £84,000 per annum is expected to accrue to the three territories during a normal

year, £17,000 being credited to Kenya, £10,000 to Uganda and £5,000 to Tanganyika Territory under the provisions of the Excise Duties Agreements Ordinance.

Your Excellency, I submit that the principles underlying this Bill are both fair and reasonable and that they fortify the position so far as the important matter of the maintenance of a wide and sheltered market for East African products is concerned, at the same time adding appreciably to the revenues of the territories without imposing any hardship whatsoever on individuals. The hon. Member for the Lake has laid down a very excellent method of judging taxation measures by asking two questions: firstly, is the tax just in its incidence and can it be collected economically? So far as this particular Bill is concerned, the answer to both questions is an emphatic affirmative as, on the one hand, it will be impossible to contend that it will bear harshly on any individual or section of the community, and on the other, no increase in the Customs staff will be required and no additional expense to Government will be involved beyond a certain small amount in travelling expenses on inspection duty.

Your Excellency, I commend the Bill to the favourable consideration of the House and beg to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Excise Duties Bill be read a second time.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, as in other matters on this side of the House we again object to anything which is going to cause extra taxation on the people of this country and this Excise Bill must inevitably do that. With regard to the general principles of excise duties, I confess it is not a method of taxation I like in a young country of this sort when new industries are growing up. A great deal of money has been put into them to develop them and one does not want to do anything which can in any way militate against their further development and growth. On the other hand, Sir, I do recognize that as we are tied up now in this Customs Union between these three territories it is of very great importance that there should be free movement of local products between those countries. Actually, of course, this particular duty does go against the actual free movement, it does make a tax on the article in each country but there are compensating reasons which we must take into consideration.

With regard, Sir, to sugar, we export from this country a good deal of sugar at the present time to Tanganyika Territory and Tanganyika by having the suspended duty on sugar

has lost a considerable amount of revenue, and so there is, I say, an argument that they should get something back in the form of excise duties. I trust, though, Sir, that if this is done and if this excise duty on sugar is instituted we shall have some guarantee that Tanganyika are going to retain their suspended duties, otherwise we shall be giving away something and getting nothing back in return. I understand from the hon. mover that the sugar industry as such has accepted these proposals and is satisfied.

With regard to tobacco, we, I presume, are going to be the chief gainers from Uganda. I presume again, Sir, from what we have been told, that the tobacco interests are agreeable and the Government of Uganda are agreeable. I have not very much to say on that except, of course, the consumers of tobacco I presume will have to pay—not being a smoker myself it does not interest me very much.

With regard to tea, I am not at all satisfied. Very very large sums of money have been put into the development of the tea industry here. I am credibly informed by people closely associated with tea that at the present moment all the tea they are selling is actually being sold at a loss because they have not got their full development—they are still building up and they are not making any profit on the tea they are selling. At the same time, Sir, there have been a number of cases recently of tea being what I think can be definitely called dumped into this country from India. The fact that it is dumped by one of the companies which actually is operating here does not seem to affect the case very seriously. There is tea being sold here at 76 cents a lb. which has had charges on it of 55 cents since it entered this country, which only leaves 20 cents for the transport across the seas, any transport necessary in India, any handling charges, and also for growing. I do not think anybody, Sir, will submit that it is possible to do all that for 20 cents—and therefore it does seem to be a deliberate attempt by a tea company outside this country so to cut down the price of tea in the country as to break the companies which are developing in this country and reduce them to such a position that they will either have to give up or sell out to the bigger company which has been established for a long time in other countries. It is only 10 cents a pound but that is over a penny a pound and I think in England if one realized that when Budgets come forward and there is an extra penny a pound put on tea there is a lot of talk about it—it is not considered so very little. How much you would definitely damage the industry in consideration of the fact that you have put on Customs duty to correspond I am not sure, but I would rather see an extra Customs duty on the importation of tea and no excise duty. Perhaps later on in committee we will be given more definite reasons why it is

necessary to put this on tea. Tea is, of course, grown in Tanganyika Territory and so it does not seem there is any particular benefit to either Tanganyika or ourselves. I presume it is a *quid pro quo* for the tobacco from Uganda. I do not know whether that is correct.

I am not going to oppose this Bill because, though I do not like much of the underlying principles of it, but it is on the whole probably for the benefit of some of the industries concerned. But I should like a further explanation on the subject of tea when we get into the committee stage.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I desire to confine myself to the question of tea, for this reason—some years ago a company entered into agreement with a number of settlers in the country to grow tea for the country. The effect of the present dumping of tea in the country, Sir, simply amounts to this—that the settler in the country now growing it on behalf of the bigger company will have to go to the wall because the price fixed is the price fixed by the company and not by the producer. Originally, when tea was first produced here the settlers were given 25 cents per pound of green tea, which amounted to Sh. 1 per pound made. This has now been altered and I understand that because of this competition on the part of the company which is concerned in growing tea here—they also have big plantations in Ceylon—they are dumping tea in an attempt to break their opponents. The only effect is this: that the grower of tea in the country is going to have his price cut down from 25 cents to 10 cents and at 10 cents he cannot produce it at a profit. I therefore hope this 10 cents will be cut out and that Government will definitely impose a protective duty on imported tea from Ceylon.

COL. THE HON. W. K. TUCKER: Your Excellency, whether we entirely like this legislation or not, I am sure we are all of us very impressed by the figures just read out by the hon. gentleman. To my mind it does call for very hearty congratulation to those people in this country who have made those figures possible and in that connexion, Sir, I venture to put forward the view that such rapid success was never contemplated two years ago when we held the Customs Tariff Committee, which sat for many weeks and exhaustively examined not merely the present position but the potentialities of these tea, sugar and other industries. My mind equally goes back to what happened subsequently. A few months later, when the Governors' Conference assembled for the purpose of finally deciding how far these duties could be adjusted, the time of the birth of suspended duties in this country, simultaneously we had a most important and most interesting unofficial conference assembled in Nairobi when

we were able to exchange with our brother growers in other territories views as to how far or how little they were able to support us. I believe, Sir, if we could then have contemplated the situation to-day, we should have reviewed this problem favourably. I believe we should have at that time made some little provision in anticipation of the situation with which we find ourselves faced to-day. As a matter of fact, it was raised in a much more crude form. At that time the gentlemen representing Tanganyika, for instance, represented to us that Kenya was being assisted out of all proportion to the assistance we could give to her and the only reply we could give at that time and the reply we gave very freely was that those of us in this country who just by luck had got further ahead in the development of industries than they had been able to in Tanganyika—that they might depend upon our whole-hearted help and sympathy when the time came for them to develop similar industries themselves. I am able to state, Sir, that that has been done in more than two instances with which I am personally associated. I believe, Sir, that this free market between the three territories is essential to the welfare of Kenya. I believe it is essential to the further development of the industries concerned, and so far as I am concerned I think it will be one more milestone in the development of Kenya when other countries come forward for similar treatment. There is one snag, Sir, certainly in principle, but I do not think it amounts to very much; it is that it does increase the cost of living and to that Members on this side of the House have naturally to raise an objection.

With regard to the effect that this measure must have upon the local industries I believe it will not be unhelpful. It does seem to me that if the price of the local article is slightly advanced simultaneously with a slight advance in the price of the imported article, the tendency is for people who hitherto have consumed the imported article to give further consideration to the local one.

We are to-day producing 160,000 lb. of tea, Uganda 60,000 lb. and Tanganyika 15,000 lb. I venture to say, Sir, that that balance will later on be redressed and I think we can look forward at the moment—I hope we can—when all three territories will be producing an equal amount of this product, when I hope, Sir, that Government will be the first to regard a continuance of this legislation as entirely unnecessary.

The only other note I have, Sir, is this. I think it is a matter for regret that it has not been possible to explore this problem as a problem quite outside Customs duties at greater length. There is no reason why it should not have been raised and discussed in public for a considerable period, and if so, I believe on balance there would have been even more support for this measure than exists to-day.

**THE HON. T. J. O'SHEA:** Your Excellency, it is to be regretted that the manner of introducing this legislation has rendered it impossible for Members not in the confidence of Government to study the principles involved in it. In so far as the application of those principles tends to strengthen the Customs Union which exists between Kenya and the two adjoining territories I am in favour of it, but one has not had an opportunity of ascertaining whether this is actually the case. I should like to have had the opportunity of ascertaining whether the proposals embodied in this Bill are on the lines generally adopted by countries which also have Customs Agreements. In the absence of any knowledge on that subject I am rather doubtful as to whether the Bill will serve the purpose desired. In so far as the Bill places extra taxation on the country I object to it. I understand the imposition of these duties will result in £7,000 or £8,000 of additional taxation. That I intensely dislike. As regards cigarettes and tobacco, admittedly these are commodities that will be subjected to high duties but I intensely dislike the full duties on sugar and tea and I am doubtful whether the imposition of these duties will help the young struggling industries of Kenya. Also, I rather dislike the argument that we have got in every case to be able to give the adjoining territories a *quid pro quo*. It has always been argued that we are tying these two territories to us. As an actual fact, they went into the agreement of their own free will, recognizing I feel sure that there were benefits to all parties. I feel at the moment our greater development may give us the greater benefits, but with the passage of time they will share the benefits of this Customs Agreement just as much as we do. So I think it is altogether unnecessary to argue that because we are making something out of our tea industry, we have got to give them something out of their tobacco industry, or rice industry, or some other industry. I should like to have been able to oppose the Bill because of the schedule at the back, but because I am doubtful of the principles of the Bill I am rather influenced by the arguments of the hon. mover and I am not in a position to do so, but in the committee stage I may do so on the schedule which forms the main issue.

**LT.-COL. THE HON. J. G. KIRKWOOD:** Your Excellency, I am opposed to the principle of excise duties for Kenya, which is entirely dependent on agriculture. I am also opposed to increased taxation. This is an irritating measure and will have the effect of increasing the cost of living. It is brought in under the guise of the Customs Union. If that Customs Union allowed for the free interchange of all commodities between the three territories I should heartily support it, but that is not the case. Kenya, due to our climate, due to the fertility of our soil, due to our energy and initiative, and our

European settlement is able to grow and does grow a very large variety of commodities which are not grown in the adjoining territories. Having done that at our own expense we are now asked to impose excise duties to allow the neighbouring territories to get their trade. If that is what it means, it means in practice you are going to be taxed to allow them to get something from Kenya. I intensely hate the idea and I intend to oppose it.

**HIS EXCELLENCY:** If no other hon. member wishes to speak I will call upon the hon. mover to reply.

**THE HON. THE COMMISSIONER OF CUSTOMS:** Your Excellency, the hon. Member for Plateau South asked, I think, whether the principle of charging excise duties on articles such as sugar, tea and tobacco was well established. I reply to that in the affirmative.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Could the hon. Member speak a little louder—it is hard to hear him.

**THE HON. THE COMMISSIONER OF CUSTOMS:** The hon. Member for Plateau South asked, I think, whether the principle of charging excise duties on such articles as tea, tobacco and sugar was well established. The answer to that question is in the affirmative. He also asked whether the proposals in regard to Customs Agreements and that sort of thing were followed in other countries. Of course, the position in various countries differs with the development of various things of that sort but these proposals follow on the general lines of practice which have been adopted between, say, South Africa and Rhodesia.

The hon. Member for Plateau North suggested that this interfered with the free interchange of trade. Personally, Sir, I could not follow the argument—it seems to me that there is entirely unrestricted trade as I tried to explain when I introduced the Bill.

**LT.-COL. THE HON. J. G. KIRKWOOD:** On a point of order, I was inferring, Your Excellency, when I spoke that there was not a free interchange of trade between the three territories. If you want instances of that I could give them to you.

**THE HON. THE COMMISSIONER OF CUSTOMS:** In the absence of instances, I should say that from a Customs point of view at least there is entirely unrestricted trade between the territories.

The hon. Member for Ukamba raised the question of the suspended duty on sugar. In my opinion this Ordinance will definitely strengthen the position in regard to the maintenance

of the full suspended duty in Tanganyika Territory. There has been a certain amount of trouble in regard to the alleged poor quality and high price of sugar in Tanganyika Territory but I understand that a representative of the sugar distributors is now in Tanganyika Territory and is interviewing the various authorities down there with a view to placing that on a proper and equitable footing.

So far as the tobacco interests are concerned, I have been asked whether they were fully agreeable to the imposition of this tax and to the form the Bill will take. The answer to that is definitely in the affirmative. The sugar interests have given their general concurrence with the scheme. So far as tea is concerned, Sir, at the present time there seems to be no local organization to control the price and the sale of tea and to my mind that is a very great disadvantage to the tea industry. In my opinion there is no reason at all why tea should be sold at a loss by any firm and it seems a very unfair method of trading to import tea, after really growing it here to a large extent, from Indian estates and selling it at a loss. That seems to be a very discreditable thing, but whether or not it is dumping is to my mind rather a moot point. The firm itself supplies from India and may invoice at full domestic values. It is then imported to a branch of the firm here at full invoice price, and then there is nothing so far as I can see to stop it being given away once it is delivered from the Customs control—they may even pay you to take it away. It would be rather difficult to stop unless the importation was actually prohibited, but the addition of 10 cents per pound will to some extent alleviate the situation, and I personally am very desirous that the tea interests should get together and arrive at an equitable solution of the whole of that problem.

The hon. Member for Kikuyu suggested that this excise duty on tea might result in a reduction in the price paid to the grower. I personally see no possibility of that. The local price of tea is now extremely low and if 10 cents were added to the cost of local tea nobody could suffer.

So far as sugar is concerned, the tax amounts to one cent per pound. That too will not interfere with the sale of sugar in the country.

I think those are all the points which were raised, and I beg to move the second reading.

**HIS EXCELLENCY:** The question is that the Excise Duties Bill be read a second time.

The question was put and carried.

### THE BEER (AMENDMENT) BILL.

**THE HON. THE COMMISSIONER OF CUSTOMS:** Your Excellency, I beg to move the second reading of the Beer (Amendment) Bill.

This Bill is a very short one and does not interfere in any way with the administrative provisions of the Ordinance which operate satisfactorily; it merely sets out to increase the excise duty chargeable under the Ordinance from £1 to £2 per standard barrel of 36 gallons at a specific gravity of 1.055°. It may be of interest to hon. Members to know, for the purposes of comparison, that in the United Kingdom prior to the introduction of the last Budget the duty on beer brewed in the United Kingdom was £5 3s. and the Customs duty on imported beer was £5 4s. 4d. per standard barrel of 36 gallons of the specific gravity I have mentioned. The last Budget increased this duty by one penny per glass. From these figures it is evident that the excise duty which it is proposed to charge on locally brewed beer is still very low in comparison with the United Kingdom duty, and as it is proposed to increase the Customs duty on imported beer from 2s. 6d. to 3s. per gallon, an entirely adequate protection of the local industry is maintained in all the territories.

The consumption of beer within the territories shows a tendency to increase as, although the local industry is making steady strides, the importation of beer from overseas has not diminished to any considerable extent and it is not anticipated that the small additional taxation now proposed will have any appreciable effect on the consumption. The suggested alteration in the excise duty chargeable on beer is estimated to result in additional revenue to the extent of £2,000 a year distributed between the territories, Kenya of course having by far the larger proportion.

Your Excellency, I beg to move the second reading.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to second.

**HIS EXCELLENCY:** The question is that the Beer (Amendment) Bill be read a second time.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, I must oppose this Bill, because it seems there is no object in this except to get added revenue on the same grounds as we put forward before. We are in opposition to the general increase of taxation for the purpose of revenue.

There is another point this brings home to one, the danger that once one starts excise duties how quickly they mount up. This is already a Bill for doubling the present

amount. I should like to draw the attention of the House to the fact that when income tax was first introduced in Great Britain I think it was about 6d. in the £ and was reduced to 1d. in the £; both Mr. Gladstone and Mr. Disraeli tried very hard to get that last penny off, but that penny has now grown to 5s. in the £. I trust that a similar progressive attitude in Excise duties out here may not occur.

**THE HON. T. J. O'SUKA:** Your Excellency, I have pleasure in supporting the opposition to this Bill. The hon. mover has made a comparison of our Excise duty on beer with that in Great Britain with a view to emphasizing that whereas ours is only proposed to be £2 under this Bill theirs is something over £5. May I remind him that Great Britain is a country labouring under a crushing burden of national debt, to a very large extent incurred in building itself up, and that we are a young country just starting out and have not yet begun to develop, and if we are to have our taxation at this stage anything like comparable with that of an old-established country like Great Britain carrying the accumulated debt of centuries there is little hope indeed of this country getting anywhere in its development. I suggest that there is no comparison whatever. The essential fact is that the duty is being doubled, that up to now we thought it quite sufficient that the consumers of beer should be called upon to pay to the State £1 per barrel. We are now asking them to pay double that amount, £2 per barrel, and as beer is about the only alcoholic drink that can be consumed in quantities without harm to one's health, I should say it ought to be the policy of Government to give every encouragement possible to beer as compared with any other alcoholic beverage. It is very largely on that ground, besides the ground that it does mean increased taxation, that I am in opposition to this Bill.

The hon. mover has pointed out that there has been a steady increase in the consumption of beer in the country. I should like to know whether that has been at the expense of other drinks or if there is a natural increase in the consumption of alcohol. To the best of my knowledge and belief there is not a fraction drunk in the country districts to-day of what was being drunk some years ago, and if it is the very large decrease in the consumption of stronger alcoholic liquors, then, Sir, that is a move in the right direction and it should have the encouragement of Government and not the discouragement of doubling the tax.

**LT.-COL. THE HON. C. G. DURHAM:** Your Excellency, from the point of view of general taxation I am going to oppose this Bill. Not being a beer drinker I cannot be accused of any bias in the matter.

**LT.-COL. THE HON. J. G. KIRKWOOD:** I also intend opposing the Bill, Your Excellency. I probably will be accused of having interests—I do drink beer. I shall have much pleasure in the future in knowing that the extra tax will not be passed on. I think it is an unfair measure inasmuch as it is purely for revenue purposes and other avenues of reducing expenditure have not been explored. I do not think one can reiterate that too often. It is a vexatious measure which cannot be passed on to the consumer; it will have to be borne by the brewery or the hotels or both. It is an argument that is always used by the hon. the Commissioner of Customs and he seems to take great delight in pointing out at different times that certain taxation cannot be passed on. I think it is an unfair attitude to take. It is for taxing commerce, manufacturers or individuals and not taxing the consumer. I intend to oppose the Bill on general principles.

**HIS EXCELLENCY:** If no other hon. Member wishes to speak I will call upon the hon. mover to reply.

**THE HON. THE COMMISSIONER OF CUSTOMS:** In reply to the question asked by the Noble Lord, Sir, it is purely a revenue measure. The hon. Member for Plateau South seemed to infer that in a new country the duty on liquor should be low. It is not very high now. He asked whether the increased consumption of beer had been at the expense of spirits. In 1929 the whisky imported was 61,000 proof gallons; in 1930 it amounted to 60,000 proof gallons. In 1929 the quantity of ale, beer and stout amounted to 172,283 gallons, and in 1930 to 170,416 gallons. He also suggested there was a definite decrease in the consumption of liquor. I cannot altogether support him in that, Sir, because in 1930, as he knows, there was a very serious drop in the Customs revenue and receipts as compared with 1929, and in analyzing that drop it was found that the receipts from textiles and yarns decreased by £90,000 and the decrease in the duty collected on ales, beers and wines only decreased by £6,000; so that I do not think these figures quite bear out his argument that the consumption of liquor in the country is going down. Those are the points raised, Sir.

**HIS EXCELLENCY:** The question is that the Bill to Amend the Beer Ordinance be read a second time.

The question was put and carried by 18 votes to 9.

**Ayes:** Mr. Biss, Major Brasse-Edwards, Messrs. Bruce, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Mr. Holm, Canon Leakey, Messrs. Logan, MacGregor, Gen. Rhodes, Mr. Rushton, Sheriff Abdulla bin Salim, Messrs. Wade, Walsh, Col. Watkins, Col. Wilkinson.

*Nocs.* Mr. Bemister, Capt. Cotter, Col. Durlham, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Col. Tucker, Capt. Ward.

### THE EXCISE DUTIES AGREEMENTS BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move the second reading of the Excise Duties Agreements Bill.

This Bill is purely an enabling Bill authorizing the Governor in Council to enter into an agreement with a neighbouring British territory in regard to Excise duties on lines similar to those governing the Customs agreements, and is the logical outcome of the development of local industries in the territories.

Under the Customs agreements the free interchange of both local and imported goods is allowed, such duties as are collected on the latter on first importation being credited to the consuming territory. With the growth of local industries which by virtue of the Customs agreements enjoy a free and sheltered market throughout the mainland territories of British East Africa, importations of the article superseded by the local product naturally decline, not only in the territory which happens to produce the article but also in the other territories where the article can be marketed free of Customs duty. As a result there is a contraction in the Customs duty collected on these particular articles in all the territories and when an Excise duty is imposed (as in the case of beer at the present time) it is obviously inequitable that the whole revenue from this source should accrue to the territory of origin and should not be shared with the territory of consumption as a set off against the loss of Customs duty.

The various sub-sections of clause 3 set out the maximum scope of these agreements, all being based on the generally accepted fact that unrestricted trading conditions between the territories are of enormous mutual benefit and should be maintained and encouraged without disproportionate loss or gain to any of the territories.

Sub-section (1) provides that no duty of excise not already existing shall be imposed by one party to the agreement without prior consultation with the other party to the agreement as to its imposition and the rate of duty to be imposed. This secures proper collaboration between the territories.

Sub-section (2) provides that the parties to the agreement shall forthwith impose duties of excise in the same manner at the same rates on articles or commodities manufactured in the territories of both parties to the agreement. The reason for this is obvious as differing rates of Excise duty on articles manufactured in two or more of the territories would allow of unfair and uneconomic competition.

Sub-section (3) provides for allocation of Excise duty to the consuming territory, the same machinery as is operative in respect of allocation of Customs duties being utilized for this purpose.

Sub-section (4) provides for allocation of Excise duties on re-importation or transfer to a third territory also a party to the agreement.

Clause 4 of the Bill stipulates that agreements entered into under the authority of the Ordinance shall be published in the Gazette.

Your Excellency I submit that this Bill improves and entrenches the position with regard to the retention of a wide free and sheltered market for Kenya products and I beg to move its second reading.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that the Excise Duties Agreements Bill be read a second time.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, this Bill seems to follow on what has already been agreed. As I read it, it gives a very free hand to the Governor in Council, but I trust that he will not use that to such an extent as to increase his Excise duties without the agreement of the country at large.

CAPT. THE HON. J. L. COTTER: Your Excellency, I am opposing this because I am not at all sure that we are following what happens in other countries in regard to this matter. In this country, in spite of what the Commissioner of Customs has said, I submit that we have not a free trade between this country and Uganda. It may actually be considered a free trade, but if actions are taken such as are taken by Uganda at the present moment—I am referring now to the importation of beef cattle from Kenya to Uganda. There is what is called an inspection duty, a veterinary inspection fee of Sh. 10, I believe it is. Cattle, at any rate, are considerably cleaner in Kenya than in Uganda, and I maintain that is nothing but an attempt to protect the internal stock trade of Uganda against importations from Kenya. The same might be said about beer. I am quite convinced in my own mind—take a country like Germany, with an Excise duty on beer. The other States do not share it, because it is a piece of most complicated accountancy, and in the long run it would be impossible to collect.



I feel some trepidation, Sir, in speaking to the House at all, because every time I speak I have a bludgeoning back from the Acting Colonial Secretary. You remember that happened yesterday. I had made no attack at all on the Civil Service. I merely mentioned yesterday that I did not think the amount of the tax was sufficient—nor do I to-day. But I am very glad to hear that the Acting Colonial Secretary is so proud of belonging to the Civil Service.

**HIS EXCELLENCY:** The hon. Member is getting off the point.

**CAPT. THE HON. J. L. COTTER:** I ask your indulgence, Sir.

**HIS EXCELLENCY:** We are now dealing with a Bill relating to Excise Duties Agreements.

**COL. THE HON. W. K. TUCKER:** Your Excellency, I do not rise to raise any opposition to the Bill, which is a natural corollary to what has passed this morning, but I am a little mystified with clause 3, sub-section (1), as to exactly what it means. Read literally, it would appear as though, if you desired to impose a fresh Excise duty, you would consult with the other two parties, but you would not necessarily have to regard their views. On the other hand, reading more into the section, it looks as though your hands are tied, and that you cannot enter into an agreement without agreement on the part of Uganda and Tanganyika. Which of the two is correct?

I would like to draw an analogy between this and the case of suspended duties. In the latter case, I understand the Governments consult one another before they raise or reduce their suspended duties, but our experience in the past has been that it is competent for one Government to alter the suspended duty without the agreement of the other territories. Is it intended to fall strictly into line or does it lay it down that these matters have to be unanimously agreed upon?

**THE HON. T. J. O'SHEA:** Your Excellency, one thing I dislike about the Bill is that it unfortunately omits any provision for unofficial advice to Government in contemplating such agreements that we are dealing with here. There is, I think, the greatest weakness in our relations with the other territories in these commercial matters, and I would provide an idea which I put up to Government some little time ago, and which appeared to receive some consideration, and that was for the establishment of a Tariff Board such as that in practice in other countries where they have a protectionist policy and where they have Customs agreements. With the

advice of such a Board as that, making a careful study of the problems which arise in the imposition of tariffs, Government would be in a very much stronger position to deal with any question which comes up under these tariff agreements.

Under the present machinery nothing is done until the situation becomes so acute and unless somebody compels a move by bludgeoning. I notice that practically all the Bills that come up dealing with our inter-colonial relations are brought in under pressure, and we are told that unless something is done somebody else will break away from the Union. I hope therefore, Sir, that though it cannot be said to include some provision for unofficial membership of these conferences that must take place, Government will give serious consideration to the setting up of some machinery that will give it the benefit of unofficial advice in matters of this sort.

**LT.-COL. THE HON. J. G. KIRKWOOD:** Your Excellency, I must confess I do not quite understand the reason for introducing this measure. I take it it is to give the Governor in Council power to enter into agreements with adjoining territories to impose Excise duties—either existing or new Excise duties. That has already been done this morning without the authority of this Bill, and I am not quite clear as to the necessity for it. It has been done by agreement between the three territories—I speak of the Excise duties passed here this morning. Probably from one angle it would be better for this measure to be passed by the Governor in Council—it would save Elected Members from the steam-roller. The objects and reasons of this Bill say: "This Bill enables the Governor in Council to enter into agreements with Uganda and Tanganyika and any other territory which becomes a party to the Customs Union under the Customs Management Ordinance, 1926." I confess I do not understand the necessity of it at all, unless it is that these agreements can be given the force of law without being brought before the Legislative Council. If that is so, I am certainly in opposition to placing this power in the hands of the Governor in Council. It seems to me we are drifting very fast indeed over the last few months towards what we opposed, what we have agreed to oppose—we sent witnesses to oppose it at home before the Joint Select Committee—that was Closer Union. We are getting it in another form. We are not only getting Closer Union; we are getting it in the neck all round.

**HIS EXCELLENCY:** If no other hon. Member wishes to address the Council, I will call upon the hon. mover to reply.

**THE HON. THE COMMISSIONER OF CUSTOMS:** Your Excellency, the Noble Lord and I think the hon. Member for Plateau South drew attention to the wide discretionary powers



which Your Excellency has under this Bill, but I should like to point out that Excise duties are not quite on the same footing as Customs duties. In the one case it is absolutely essential that entire secrecy should be maintained until the date of introduction, but in the case of Excise duties there is a continuing process. Special measures cannot be taken to end Excise duties, so that the necessity for secrecy does not arise. In my opinion there is no particular objection, if further Excise duties are proposed in the future, to there being more or less open discussion on the matter.

So far as the Tariff Board is concerned, Sir, this matter was considered by the Committee appointed to consider the revision of the Customs Tariff last year, and in their report the Committee recommended that the principle of establishing such a Board be approved, and that the matter be further explored immediately the position with regard to the future constitution of the mainland territories was settled.

The hon. Member for Kenya suggested that there was not, in fact, free trade between Kenya and Uganda, for example, and he cited the instance of a fee which is charged on the importation of cattle into Uganda. Personally, Sir, I have not heard of that fee, but I imagine it is a veterinary charge purely for inspection purposes, and is not imposed with any idea of restricting trade between the territories.

CAPT. THE HON. J. L. COTTER: On a point of order, surely the speech of His Excellency the Governor of Uganda made it clear it was obviously put on for protection.

THE HON. THE COMMISSIONER OF CUSTOMS: I have not seen that speech; I have never heard of it.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of information, if the hon. the Commissioner of Customs will ask the hon. the Director of Agriculture to submit the file, he will find it is in restriction of trade.

THE HON. THE COMMISSIONER OF CUSTOMS: It is not a restriction so far as the Customs Department is concerned; therefore it does not come under the Customs Agreements. If there is any cause for complaint in that regard, I suggest that if proper representations are made to Government the Government will put the case forward to the Government of Uganda.

The hon. Member for Kenya also asked what happened in Germany in regard to Excise duties. I am afraid I cannot tell him, but it seems to me that if this Bill is examined on its merits it must be accepted as a proper form of legislation of this sort.

The hon. Member for Nairobi South asked what sort of basis the agreements would take. The intention is that the Excise duties should be on the same lines as the common tariff, that the elastic provisions of the suspended duties should not apply to the Excise duties, and that it should be by agreement that the duties should be the same in all the territories.

The hon. Member for Plateau North thought that this Bill was unnecessary because this Council had imposed duties of Excise. These particular measures were by agreement between the Governments, but there has been no formal agreement. This Bill obviously provides the machinery for a formal agreement. He also drew attention to the fact that the agreements can be entered into by the Governor in Council. That, Sir, follows the lines of the Customs Agreements, to which no particular objection was raised at the time.

Those, I think, are all the points raised in regard to this Bill, and I beg to move the second reading.

HIS EXCELLENCY: The question is that the Excise Duties Agreements Bill be read a second time.

The question was put and carried.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Council resolve itself into a Committee of the whole Council to consider clause by clause the following Bills:—

The Excise Duties Bill.

The Beer (Amendment) Bill.

The Excise Duties Agreements Bill.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Council went into Committee.

#### In Committee:

##### THE EXCISE DUTIES BILL.

The Bill was considered clause by clause.  
Schedule.

THE HON. T. J. O'SHEA: Your Excellency, I beg to move the deletion of the item referring to sugar.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I beg to move the deletion of the item referring to tea.

HIS EXCELLENCY (to the hon. Member for Kikuyu): The hon. Member had better wait until we have disposed of the first amendment.

The question was put and lost.

**LT.-COL. THE HON. C. G. DURHAM:** Your Excellency, I beg to move the deletion of the item referring to tea.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** I should like to suggest that, Sir, I have not heard any arguments yet as to why it is necessary to put this tax on tea.

**THE HON. THE COMMISSIONER OF CUSTOMS:** Your Excellency, I thought I had explained when I moved the second reading that the object was twofold: firstly, to provide revenue; secondly, to provide some sort of set-off to neighbouring territories of the revenue which is lost because local tea has superseded imported tea.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Surely all three territories are producing tea to-day.

**THE HON. THE COMMISSIONER OF CUSTOMS:** The amount produced by Kenya is very much greater than the other countries.

**LT.-COL. THE HON. C. G. DURHAM:** Surely that is all in our favour. Because we produce a little more are we to be stung by the other territories?

**THE HON. THE COMMISSIONER OF CUSTOMS:** The other territories are imposing the same tax.

**HIS EXCELLENCY:** The question is that the item referring to tea in the schedule be deleted.

The question was put and lost by 10 votes to 17 votes.

**Ayes.**—Capt. Cottler, Col. Durham, Col. Kirkwood, Canon Leakey, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sherif Abdulla bin Salim, Col. Tucker, Capt. Ward.

**Noes.**—Messrs. Bemister, Biss, Major Brassey-Edwards, Messrs. Bruce, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Logan, MacGregor, General Rhodes, Messrs. Rushton, Wado, Walsh, Col. Watkins, Col. Wilkinson.

**CAPT. THE HON. H. F. WARD:** Before the schedule is left, Sir, may I ask one brief question of the hon. the Commissioner of Customs? He said that in a normal year he expects to get £17,000 additional revenue for Kenya. Would he please state what his estimate is for 1932?

**THE HON. THE COMMISSIONER OF CUSTOMS:** The estimate for 1932 is as follows:—

Sugar	£10,000
Tea	4,600
Beer	2,000
Tobacco	500
Total	£17,000

**CAPT. THE HON. H. F. WARD:** Then, in other words, he considers 1932 a normal year. He did qualify his remarks definitely in his speech on second reading; he said in a normal year he expected to get £17,000.

**THE HON. THE COMMISSIONER OF CUSTOMS:** The figure in regard to sugar was taken after consultation with the Sugar Distributors Association; the tobacco figures I have been given very definitely; and tea, to my mind, is a reasonable estimate.

**CAPT. THE HON. H. F. WARD:** We may take, in considering the next week, the figure calculated by Government as the figure for a normal year?

**THE HON. THE COMMISSIONER OF CUSTOMS:** The answer to that is in the negative.

#### THE DUES (AMENDMENT) BILL.

The Bill was considered clause by clause.

**Clause 2.**—Amendment of section 4 of the Principal Ordinance.

**THE HON. T. J. O'SHEA:** Your Excellency, I beg to move the deletion of the word "forty" and the substitution of the word "twenty-five."

The effect thereof, I may explain to the House, in case they have lost the Bill entirely, is that Government would have an increase of 25 per cent of the present duty, and that is something between £500 and £700 extra. It is not long ago we were told that the revenue derived by Government from this young and small industry was expected to be in the neighbourhood of £700, and an increase in one year in one jump of the total amount received just a few years ago is, I think, a fairly considerable increase of the present duty. I hope therefore that the amendment will commend itself to Government.

The question was put and lost.

**THE HON. T. J. O'SHEA:** Your Excellency, that amendment having failed to meet with the approval of Government, I beg to put forward another, that the word "thirty" be substituted for the word "forty." I do hope that Government will be satisfied with having 50 per cent increase in the duty—that is an additional figure of something between £1,000 and £1,200.

**LT.-COL. THE HON. C. G. DURHAM:** I support the amendment, Sir. The question was put and lost.

**THE HON. T. J. O'SHEA:** Your Excellency, I will make one last effort to get Government to be somewhat reasonable about this. I move the deletion of the word "forty" and the substitution of the word "thirty-five."

The question was put and lost by 8 votes to 18.

**Ayes.**—Mr. Bemister, Capt. Cottler, Col. Durham, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Col. Tucker, Capt. Ward.

**Noes.**—Mr. Biss, Major Brassey-Edwards, Messrs. Bruce, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Mr. Holm, Col. Kirkwood, Canon Leakey, Messrs. Logan, MacGregor, General Rhodes, Mr. Rushton, Sherif Abdulla bin Salim, Messrs. Wade, Walsh, Col. Watkins, Col. Wilkinson.

#### THE EXCISE DUTIES AGREEMENTS BILL.

The Bill was considered clause by clause.

**Clause 2.**—Agreements with Governments of other East African Dependencies.

**THE HON. THE ACTING COLONIAL SECRETARY:** In clause 3 I beg to move a slight amendment of a purely technical character. Uganda is not a party to the Customs Agreement with Kenya. It has the same effect as achieved by the resolution which is inter-territorial, and therefore I beg to move the insertion after the word "Government" in the second line of the clause of the words "of the Protectorate of Uganda or."

**THE HON. T. J. O'SHEA:** Do we hear aught that Uganda is not a member of the Customs Union?

**THE HON. THE ACTING COLONIAL SECRETARY:** It is done by statute in the case of Uganda, and not, as in the definition here of East African Dependencies, by being party to a specific agreement.

The question was put and carried.

THE HON. T. J. O'SHEA: There is another amendment I want to move to this clause, the insertion of the words "on the advice of the Tariff Board" after the word "enter" in the first line of section 3.

I am putting forward that amendment merely for the purpose of re-emphasizing the necessity of getting on with the construction of that Tariff Board. This necessity is now generally recognized and apparently action in the matter was suspended until the settlement of Closer Union in the country had been reached. That settlement has now been reached, I think it is now the duty of Government to expert we have in the country at the moment, because of his long study of tariff matters, in the Commissioner of Customs, and I think it is hardly fair to him that the whole onus of advising the Government should be on his shoulders, and it is not fair to the unofficial community that it should be left entirely in his hands, good as he may be at his job.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I think I may say that the question of the formation of the Tariff Board will not be lost sight of by Government. Government could not at this stage agree to the insertion of this particular amendment because the Tariff Board has not in fact been framed. It would be premature to make such an alteration at the present time.

THE HON. T. J. O'SHEA: Realizing that, Sir, I shall be happy to withdraw my suggested amendment if I got an assurance from Government that this question will be actively taken up and pressed to a conclusion.

THE HON. THE ACTING COLONIAL SECRETARY: I think I can give the hon. Member that assurance. We have been waiting only for the one thing, and that period of delay is now over.

The amendment was withdrawn.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Excise Duties Bill and the Beer (Amendment) Bill be reported to Council without amendment, and that the Excise Duties Agreements Bill be reported to Council with amendment.

The question was put and carried.

#### *The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that the Excise Duties Bill and the Beer (Amendment) Bill have been considered by clause in Committee of the whole Council and have been reported to Council without amendment; and that the Excise Duties Agreements Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council with amendment.

#### THIRD READINGS

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Excise Duties Bill, the Beer (Amendment) Bill and the Excise Duties Agreements Bill be read a third time and passed.

THE HON. T. J. O'SHEA: On a point of order, is it the proper procedure to move the Bills all together? One may want to vote against one if them and not against another.

THE HON. THE ACTING COLONIAL SECRETARY: On a point of explanation, it is occasionally done for convenience and in the interests of despatch, but it is never proceeded with if any hon. Member objects to it. They will be taken one by one.

THE HON. T. J. O'SHEA: I suggest it is an objectionable practice. I should not like to see it followed to-day.

#### THE EXCISE DUTIES BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Excise Duties Bill be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

#### THE BEER (AMENDMENT) BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Beer (Amendment) Bill be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

#### THE EXCISE DUTIES AGREEMENTS BILL.

THE HON. THE COMMISSIONER OF CUSTOMS: Your Excellency, I beg to move that the Excise Duties Agreements Bill be read a third time and passed.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned till 11 a.m. on Monday,  
the 7th December, 1931.*

MONDAY, 7th DECEMBER, 1931

The Council assembled at 11 a.m. at the Memorial Hall, Nairobi, on Monday, the 7th December, 1931, His Excellency the Governor (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 4th December, 1931, were confirmed.

#### MOTION.

##### REPORT OF SELECT COMMITTEE ON DRAFT ESTIMATES FOR 1932.

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.): Your Excellency, as one who for the first time is charged with the duty of presenting to this Council the Report of the Select Committee on the Estimates and of moving its adoption by this House, I have carefully studied the speeches of those who in the last few years had discharged the same duty.

I found, to my pleasure and surprise, that speeches on such an occasion were commendably brief and that they proceeded generally on the assumption that the contents of the Report were already within the knowledge of hon. Members, and that as the Report contained little that was contentious or in dispute there was no need for a lengthy exposition of its provisions.

I wish, Sir, that I could adopt the same course here to-day, but tempting though it always is to fall back on precedent and follow the lead of those so much more competent for this task than I am, I feel that the circumstances of this time and the nature of the Report on the Estimates for 1932 are such that I fear I must make heavier drafts than usual on the time and patience of hon. Members in introducing this motion if I am at all adequately to discharge my task.

It has been customary to introduce this motion with a short statement of the financial position of the Colony.

The year 1930 ended with an actual excess of assets over liabilities of £510,702.

The estimated surplus at the end of 1931 was £634,650, but unfortunately, owing to the world-wide slump in prices and the grave economic position that arose, the revised estimate is no more than £310,120. This position is one of such gravity as to demand constant watchfulness and to call for every effort on the part of all of us in the direction not only of increasing revenue and production but of curtailing expenditure.

As soon as it became apparent that the estimated revenue for the current year would not be realized, the need for economy and for reduction of staff was emphasized to all heads of departments, and a progressive programme of economy was initiated and pursued. By the end of May, 1931, savings on departmental expenditure had been effected to the amount of £150,200. By the end of July this figure had grown to £195,027, and at the end of November savings amounted to approximately £250,000.

After making full allowance for all unforeseen supplementary expenditure, the net reduction in expenditure for 1931 as compared with the sanctioned Estimates for that year is £163,426.

The process, however, is still continuing, and in this connexion I would quote a recent circular sent, on Your Excellency's instructions, to all heads of departments:—

#### "ECONOMIES IN 1931 EXPENDITURE.

"His Excellency the Governor has directed that the following instructions be circulated to all Heads of Departments and Provincial Commissioners, who are to take the necessary steps to ensure compliance within their Department and Provinces:—

"The urgent necessity for economy in expenditure has already been emphasized on more than one occasion.

"The savings already notified are more than counter-balanced by the shortfall in revenue, but I am convinced that, although a deficit may be unavoidable, it can still be reduced.

"In the past, I am informed, it has been the practice of Departments and Districts towards the end of the year to make every effort to spend the accumulated balances remaining in the various votes in order to avoid unfavourable comparisons when putting forward their Estimates for the following year.

"I particularly desire to impress upon Heads of Departments, Provincial Commissioners, and also upon all officers who exercise any control, direct or indirect, over the expenditure of public moneys, that conditions have altered. There

will not be sufficient revenue in 1931 to meet expenditure, and it is most important that this depletion should be reduced to a minimum, and for this reason every effort must be made to conserve the unspent balances of votes. Collectors of revenue will, of course, understand the need for intensive collections."

In the course of the discussion of the draft Estimates for 1933 heads of departments indicated further savings amounting to some £23,000, and I desire emphatically to give hon. Members an assurance that every avenue for effecting further economies is continuously being explored, and nothing will be left undone in the direction of still further reducing expenditure.

And now, Sir, I would say a word about the form of the Select Committee's Report. It is unusual, not only in that it contains a considerable number of Elected Members' recommendations, with the more important of which I propose to deal shortly later in my speech, but in that it contains two different sets of Estimates.

The Budget as presented to this Council in August last provided for an estimated revenue of £3,318,891 and an estimated expenditure of £3,256,648, with a surplus of £62,243.

From the melting-pot of Select Committee there emerge official estimates of revenue £3,264,502 and of expenditure £3,240,347, resulting in a surplus of £24,155; and unofficial estimates of revenue £3,288,502 and of expenditure £3,238,997, resulting in a deficit on the year's working of £10,495.

The difference between these two sets of figures is almost entirely due to the fact that the estimated Customs revenue, which the Official Members recommend should be reduced by £114,121, is, in the opinion of Unofficial Members, still unduly high, and they recommend a further reduction of £75,000, while they further record their objection to an estimated yield from new taxation under Head II of the Revenue Estimates of £9,000. Against that revenue shortfall of £94,000 they press for a heavier levy on official salaries to yield £98,000 in 1932, as against the official figure of £50,000.

The official Budget, as reflected in the Report, shows, as I have said, an estimated surplus of £24,155; but that is not a complete picture of what we anticipate to be the result of the year's working, for there falls to be added the sum of £26,500, made up of £8,600 additional Customs revenue and £17,900 from excise duties, as a result of the measures passed last Friday. Against that gross sum there is an adjustment of £718 in Uganda's reimbursements to this Colony on account of Customs, so that we arrive at a total estimated surplus for the year of £48,937.

This figure again is not necessarily final, for it takes no account of any possible yield from the suggested tax on professional men which the Committee in paragraph 10 of the Report recommend should be imposed at an early date. A Bill to make provision for the imposition of such a tax will be introduced before the close of this session, and will, in accordance with the wishes of Members, be referred to a Select Committee for examination in detail.

After deducting the amounts shown under the heads of Reimbursements and Colonial Development Fund, which inflate both sides of the Estimates, the position at the time when draft Estimates were presented to Council was that they showed a reduction of £326,000 on the actual expenditure in 1930. In the final Estimates this reduction is increased to £347,000, the greater part of which is in extraordinary expenditure. The net decrease in departmental recurrent expenditure (that is, excluding Public Debt Funded, Interest, Pensions, Miscellaneous Services, Rent and Interest to H.H. the Sultan of Zanzibar, Colonial Development Fund, and all Extraordinary Expenditure) is £411,044. In making this comparison, however, it must not be forgotten that the Estimates for 1932 include provision for normal increments of salary both for that year and for the intervening year 1931, so that the comparative reduction as against 1930 departmental recurrent expenditure is correspondingly greater.

The effect of these reductions is that it will be barely possible to maintain existing services in 1932. In spite of increasing demands, particularly in the case of Medical, Health and Educational facilities, no provision is made either for new services or for the expansion of existing services, except for the extension of revenue-earning services under the heads Post Office and Telegraphs Extraordinary and Public Works Extraordinary, both of which were explained in the Memorandum on the Draft Estimates. Although these extensions are provided in the Estimates, I have Your Excellency's authority to announce that they will not be included in the General Warrant, nor will that expenditure be finally sanctioned until there is evidence to contradict any supposition of any further decline in revenue.

The total provision for non-recurrent expenditure is only £32,250, of which £11,400 is for the extension of revenue-earning services; £5,000 is a token vote under Agricultural Department Extraordinary to provide for the possible extension of the campaign against locusts, and £1,000 under the head Interest is a token vote against any possible loan commitments during the year. Any substantial reduction in expenditure can therefore only be found from departmental recurrent votes, which would definitely necessitate curtailment

of services and cause the closing of hospitals, schools, police stations or prisons, the reduction of laboratory services, field agricultural and veterinary services and the restriction of administrative and judicial activities. The policy underlying the 1932 Estimates is that of weathering the storm. Any further depression of revenue, beyond the margin of the estimated surplus, will necessitate drastic measures along the lines which I have just indicated, but it would, I confidently submit, be unwise and uneconomic to undertake any such steps at this moment.

The question of restoring surplus balances to a satisfactory figure is one which Government constantly has in mind. As I have already said, if conditions do not become further depressed, surplus balances will have recuperated by the end of 1932 to £359,000. Government shares to the full with Elected Members the desire for a much larger surplus, but unfortunately there are serious practical difficulties in the way of achievement of that desire. A larger surplus must mean either more revenue or less expenditure, or both. With the difficulties in the way of a further curtailment of expenditure I have already dealt very briefly. Increased revenue means increased taxation and increased taxation is opposed by Elected Members, and Government shares their view at least to this extent—that at a time like the present taxation can only be justified when it tends to equalize the incidence of sacrifice, and when it is so designed that its application will not appreciably be felt by the individual taxpayer. Various new taxation measures have already been introduced, and others are indicated in paragraphs 9 and 10 of the Report of the Select Committee. Unless my hon. friend the Member for Mombasa steps into the breach it is, I think, improbable that, even if attempts were made further to exploit this limited source, any very substantial additions to revenue would accrue.

I desire, however, again to emphasize the fact that the need for further economies is an ever-present anxiety to Government. When the General Warrant was signed in 1931 it showed deductions from the sanctioned Estimates amounting to £157,500. When in March or April next the Warrant for the coming year falls to be signed, every effort will be made to incorporate in it further substantial economies.

As I have already stated, Sir, the Report of the Select Committee contains a number of specific recommendations to Government by Elected Members, and on some of these I propose to say just a few words.

In paragraph 7 of the Report there is a recommendation that a committee be appointed to examine and report on the balance of trade, and the present position of the Currency

Board, and again on page 25 there is a similar recommendation on the subject of Railway branch line accountancy. If I may take these two recommendations together, Sir, I suggest to hon. Members that in the light of the Report of the Joint Select Committee on Closer Union in East Africa, the proposed appointment of an Adviser on Transport and the inquiry suggested in paragraph 105 of that Report, it would be premature for us here and now to subject either of these highly involved and technical subjects to examination by a local committee.

Under the head of Public Works Department, Elected Members recommend that a committee be appointed to investigate the possibility of certain district councils taking over the local activities of the department. On this issue I can only reiterate that Government is as anxious as anyone to explore any avenue of effecting economies without the contraction of essential services, and I have Your Excellency's authority for stating that the committee asked for will be appointed at an early date.

On page 33 of the Report insistence is placed on the necessity of a system of long term agricultural credits as an essential to increased production and development. Your Excellency, in opening the Budget session of this Council, expressed your readiness to refer this question to a committee, and in order to facilitate the operation of such a system, if financial circumstances permit of its initiation in 1932, I repeat that a token vote of £1,000 has been inserted under the head Interest.

The last recommendation to which I need draw particular attention at the moment is the expression of the hope that the recommendations of the Select Committee will be followed up. Your Excellency has asked me to give hon. Members the assurance that this will be done, and I can add that already machinery has been set up for transmitting each such recommendation to the heads of the departments affected thereby.

Before I pass from the details of the Report, there are two small matters to which I would ask leave to refer. The hon. Member for Plateau South, whose absence I regret in all the circumstances, has given notice of an amendment to the Report, which Government is, of course, prepared to accept; and my friend the Postmaster General is anxious that the last sentence of the paragraph on page 27—the marginal note to which is "Postmasters and Junior Postmasters, items 3 and 4"—should in the interests of accuracy and clarity be reworded to read:—

"Apropos of this, he informed the Committee that under the agreement which included the transfer of the

Mombasa Wireless Station there would be a total general saving to Government and the public of approximately £14,000."

I trust that you, Sir, and hon. Members will accord me the indulgence of moving the adoption of the Report subject to these two amendments.

I cannot flatter myself, Sir, that I have adequately covered the ground of the Report or that I have addressed myself to more than a fraction of the points on which hon. Members will require information. That, Sir, is largely due to my inexperience in financial matters such as these. I can only add that in my reply at the close of the debate I shall endeavour to give any information which any hon. Member may ask for or any explanation which he may feel is due to him.

I beg, Sir, to move:—

"That the Report of the Select Committee on the Draft Estimates for 1932 be adopted subject to the following two amendments:—

(i) That the following words be inserted immediately above the Clerk's signature on page 34:—

'Mr. O'Shea attended the greater part of the meetings but declined to sign the Report.'

(ii) That the last sentence of the paragraph on page 27, the marginal note to which is "Postmasters and Junior Postmasters, items 3 and 4," be deleted and the following substituted therefor:—

'Apropos of this, he informed the Committee that under the agreement which included the transfer of the Mombasa Wireless Station there would be a total general saving to Government and the public of approximately £14,000.'"

THE HON. THE TREASURER (MR. H. H. ROBINSON): Your Excellency, I beg to second.

HIS EXCELLENCY: The question is in terms of the motion.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, before dealing with this motion, I should just like to ask the hon. and learned mover exactly what this motion entails, Sir. We are asked to adopt the Report of the Select Committee, but as I see it, Sir, that Report can be taken almost in three parts—a little of it is what the Committee recommended; a good deal of it is what a majority of the

Committee, in the form of the Elected Members, recommended; and a certain amount of it is what the Official Members of the Committee recommended. I should like to know exactly, if one votes for this motion, is one voting that everything which is recommended in this Report shall be adopted, or only that bits of it should be adopted?

**THE HON. THE ACTING COLONIAL SECRETARY:** With your leave, Sir, on a point of explanation, I would say that the Estimates—which again, so far as expenditure is concerned, will be reflected in the annual Appropriation Bill—adopt the recommendations under the heading "Official Recommendations."

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, then in actual fact the motion before us is that the Report of the minority of the Select Committee shall be adopted.

Before going into the details of the figures or anything else, I should like to refer to the fact that there has been a good deal of criticism of the very long time which this Select Committee was sitting. I can assure you, Sir, and everyone else, that no one disliked having to stay in Nairobi all that time more than I did myself—and that feeling is shared I think by all my hon. colleagues on this side—but I do submit, Sir, that the primary cause of that was the refusal of Government to accept our suggestion, which was strongly urged earlier in the year, that Government should appoint a Committee to go into the whole question of the economic and financial position of the country so that every possible avenue could be explored by a Committee who could give up their time to it and could have definite propositions ready before these Estimates for the coming year were produced. That was not done, Sir; Government said they could perfectly well do it by themselves without any outside assistance; but the result is that Government have failed to do it. We have now, Sir, at the end of this year, as I understand—I was not quite able to follow all the figures, but I think I am right in saying we are going to have a loss of about £200,000 at the end of this year. Is that correct, Sir? Well, Sir, I am not going to flog a dead horse on that particular point, but I did wish to emphasize that.

The next reason why we took so long was that we had to adjourn, very often for as long as a week, to enable other bodies on which many members of the Select Committee were sitting to do their work, such as the Railway Council, Executive Council and various other Committees.

The third reason for the delay was that we had to ask for many reports, both from sub-committees and from Government Departments, and those reports again entailed work by members of the Committee and also entailed considerable delays in receiving them. For instance, we asked for some reports from the District Councils on the subject of the decentralization of the Public Works Department's work, and for some reason or other the resolution we passed failed to reach those Councils for a period of between two and three weeks. And, Sir, if I may just say, while speaking of the handicaps under which we worked, perhaps the greatest handicap of all was the loss before the completion of this Report of our very able and charming Chairman and also of the Leader of this side of the House, Sir. I should like to say now how indebted we all feel to the very patient and able way in which the late Mr. Martin conducted the operations of this Committee, and also to the manner in which the hon. the Acting Colonial Secretary afterwards completed the work when we lost our original Chairman. We on this side of the House, Sir, have no desire to try and score points off the Government or to try and make the position of Government difficult or more embarrassing. Our feeling is one of genuine feeling that we are face to face with a very serious situation caused not by any defects of this country in which we live but owing to the outside repercussions of world conditions and what I think legally are called Acts of God, such as the infestation of locusts, and in other ways. But we do feel that even yet Government have not quite got down to what is necessary to put this country once more on a really sound financial basis. Our feelings on this point, Sir, are explained on page 33, where we say:—

"In signing this Report as a true record of the proceedings of the Select Committee, Elected Members wish to emphasize the fact that they are not yet satisfied that Government realizes the gravity of the financial situation, and they do not consider that the steps proposed to be taken are adequate in view of the following facts"

I will not deal with those facts at the moment, but that is our feeling that even now, though Government have made a great step forward—and I must confess that the opening speech to-day did reassure me that Government were perhaps more than in the past realizing how much has got to be done—we still feel that sufficient has not been done. Government have budgeted for a surplus of in the neighbourhood of £50,000, but, Sir, in our opinion, that is a surplus on paper only, as we do not consider that the Estimates of Revenue are even now—although they are reduced from what was originally introduced into this House—based on the sound basis which



we feel they should be. I think we all, Sir, on both sides of the House, have the greatest confidence in this country's future, but we do feel that we must get back to a very sound position and proper surplus balances. We were faced with a similar position in 1922; we tackled it then and we got over the difficulties, and we did put the country on such a basis that from that time till last year we had throughout a progressive prosperity. I am sure if we all joined together and again tackled the question with goodwill to get over the difficulties and not be stopped by the difficulties that we should achieve that same result now. It must be remembered though, Sir, that we on this side of the House can only criticize; we can offer suggestions and generally try and give a spur to Government's action, but Government is completely autocratic and it is only Government that can take executive action to put any practical suggestions into force.

As the hon. and learned mover pointed out, there are two main points of difference between what we think and what the official side think. The first one, Sir, is the question of these Customs Estimates. Now, Sir, as I understand it, in this present year of 1931, the estimate of the probable receipts from Customs will be about £750,000. I should like to be checked if that is incorrect. As there is no contradiction, I gather it is correct. Government are estimating for the coming year, without including this new taxation which came in on Friday last, which amounted to another £8,000, £750,000. Now, Sir, their reasons for making that estimate are explained in this Report:—

"(a) The preparation in advance of an accurate appreciation of crop and price prospects is a matter of admitted difficulty even in normal times, and too much reliance should not be placed on the figure of £1,300,000 mentioned above."

I do not know when these estimates were given us—my hon. friend the Director of Agriculture was not in the country—but I do not know, Sir, whether he has any reason to consider that estimate too low. We know that the coffee crop for the coming year is not going to be a big one; the following one we hope will be, but we shall not get the benefit of that till right at the end of 1933, and really it will not be reflected until 1933. Sisal is still at a price which cannot pay, and no one can say for certain whether the price will go up so as to enable us to export more sisal or not. We know that there can be very little maize for export during the year, and we know that there can be very little wheat for export during the year. As far as I can see, having studied the figures which were put before us by the Acting Director of Agriculture, I cannot see how that figure can be very greatly increased.

Now, Sir, the next point put forward is:—

"Any comparison between exports and imports must take account of invisible exports and of the transportation and other services performed for neighbouring territories, which constitute a very important factor, particularly in view of the favourable reports on the Uganda cotton crop."

When that was given to the Select Committee we were told that the cotton crop from Uganda was going to be at least 250,000 bales; we are now told that it is doubtful if it will be over 200,000 bales. I was told the other day, Sir, by some responsible people in Uganda that there was always a danger, if the price did not go up further, that the natives in Uganda might not even pick a large portion of the crop; so again, on that basis, one ought to be very very cautious in increasing any estimates of revenue.

In the third, under (c), we are told the tariff was amended in 1931, and this year we got in the Consumption Tax that is shown under the heading; that for this year we shall get half only, but next year there will be a full year instead of half. It says, "Taking this factor into account the estimate of Customs Revenue from import duties for 1932 is nearly £100,000 lower than actual collections in 1930." In 1930, Sir, if I may go back again to that question of the export of our products, they were of a value of about £3,400,000; for this coming year of 1932, as we have just heard, they are estimated at £1,300,000. I would suggest, Sir, that that net total of £100,000 is not nearly as sufficient a deduction from what we received in 1930 as should be made.

The last thing, Sir, is the question of the exchange on account of the value of sterling. I think I had better leave that point to be dealt with in greater detail by my hon. friend the Member for Nairobi North, as he is a specialist in that, but I should like to point out that it seems to me that the effect of going off the gold basis will and should have the effect of our buying much more goods from the home country, from Great Britain, rather than getting more money for our Customs Revenue from foreign countries who still remain on the gold basis.

Now, Sir, we did take considerable trouble in going into what we thought would be a safe sum to budget for on Customs revenue. We got the opinions of responsible and experienced business men in Nairobi, and we came to the conclusion that a really safe sum to budget for was £875,000, which is £75,000 less than the official estimate. I do feel that in these times we must budget on a very safe basis. I only hope the Commissioner of Customs will prove right and that I shall prove

wrong. I am not one of those who wishes to be able to say afterwards "I told you so." All I want to see is the finances of this country on a sound basis, and I want to see in 1932 that our surplus balances have increased much more than have been put forward by the hon. mover of this motion. But I do think that Government is budgeting on an optimistic basis.

To come now to the next point, the levy on official salaries. As the hon. mover has pointed out, we recommended an extra £50,000 saving on that account. Now, Sir, when this Bill was before the House the other day I did not deal with the principles of the Bill so much as the Bill which was before us. We should like to make it quite clear how we look at this matter. I have no wish to cut anybody's salary or anybody's money. I should like us all to be millionaires, and all to be as rich as possible. I have no animus against the Civil Servants in this country, Sir. All the ones I have ever come in contact with I have always got on very well with, and I hope most of them I can number amongst my personal friends. I do not even argue, Sir, that because other people in other walks of life have had to make big sacrifices that therefore officials must necessarily do so. The attitude I take up is this—it is a purely financial one. There is no question but that at the moment we are living beyond our income. We have to pay out for the cost of the government of this country, roughly speaking, about £2,000,000, without taking into consideration reimbursements and interest, and so on. Of that £2,000,000, Sir, according to the figures worked out and agreed in the report of the Terms of Service Committee, £1,200,000 goes in direct salaries, and on top of that there is, at the lowest estimate, another 40 per cent to be added for hidden emoluments and all the other various emoluments which appertain to the Service, which brings up the total to £1,750,000. Unless we can increase our income, that, I submit, Sir, is a higher sum in our present state than we can afford. The learned mover said that there was only one way to increase our income, and that was by increased taxation. I suggest there is a sounder way, though it may not have such an immediate effect, and that is by increased production and by generally increasing the development of the country. But that does not come into this picture at the moment. It seems to me, Sir, that if we are to retain our services, and if we are to retain as many of the gentlemen who work those services as possible, the only alternative to retrenchments is to reduce the general cost of those services, which can only be done by a deduction from the amount of money which the country pays annually to its Civil Servants. The recommendation we put up was that this should be done in the form of a levy and not in the form of a direct cut, so as not to affect pensions,

Sir. But, Sir, I do submit that it is a definite method by which Government can save another £50,000 and so put this Budget on a very much sounder basis. At the same time, bearing very closely on this, is the adoption in practice of the recommendations of the Terms of Service Committee, and in our report in which we recommended this cut on a basis of 10 per cent instead of 5 per cent we put in at the end that as soon as any people came under these new terms of service they should from that time be exempt from this cut. I do feel myself, Sir, that it is not asking too much of the Civil Service at this particular moment in view of the main object which is to be achieved by it.

There is one little point on this on which I should like to make a personal explanation with reference to the appendix which gives the report of the sub-committee. My friend the hon. Member for Plateau South, who was a member of that sub-committee, was unfortunately away when this sub-committee's report was produced, and he says that he did not understand that that was meant at the time—that he thought it was to be a definite cut. But he will explain that later. If, as chairman of that sub-committee, I have had something put into this Report which is not strictly accurate I apologize to my hon. friend; it was merely inadvertence.

I see from this morning's papers that the neighbouring territory of Tanganyika have already made their cut on a slightly higher basis than we have done here.

It is very easy to be a destructive critic, and it is very easy to say that whatever Government does is wrong. But we have tried to be constructive in our proposals. We have tried to bring matters before Government which we think may materially assist the position. There are various matters which we put up as constructive proposals. The first one, Sir, which does not actually appear in this Report, was a suggestion that to achieve that extra saving of £100,000 which we think is required, there might be a 5 per cent cut on expenditure right through; that is to say, 5 per cent on £2,000,000 would produce £100,000. It was pointed out that it would be difficult to do that on a flat basis all through the different departments, but leaving it to Government to find the best way of achieving that saving. The next proposal, Sir, was the immediate application of the recommendations of the Terms of Service Committee under which considerable savings could no doubt be achieved during the coming year; and I think consequent on that there would be a certain amount of postponement of leave, so as to bring officers on the longer tour. On that we were told that it would disorganize the Service, and that there would be too many officers in the country at a

time for whom no billets could be found. On that I cannot help suggesting that it looks as if we were slightly overstuffed in this country—but I have already dealt with the proposal for a further levy on salaries.

Then, Sir, there were certain other definite suggestions which only Government can deal with, and one of these was the amalgamation of the overhead charges on Military and Police. I do not think the hon. and learned mover indicated what Government's views were on that. We have had before us the figures of Northern Rhodesia, a not altogether dissimilar colony to this, and we found our expenditure on military and police was out of all proportion to what it was down there. It is a difficult subject—a certain amount of technical knowledge is required; but it should be explored at once to see whether we cannot get an equally efficient service for the defence of this country, internally and externally, at a much cheaper cost.

The next point we brought forward was that old standing dish, which has been brought up here for six years, even longer, and that is the question of decentralization of the Administration and the abolition of the system of the Secretariat as existing at the moment. I am surprised I did not get a little applause from some Heads of Departments by that little remark. We put in a report on that, Sir, in the hopes that Government would take the matter up seriously. Last year a committee was appointed for the purpose of going into this question, but for some reason or other they have not sat since last April. I do hope Government will immediately take up this question and get it settled once and for all. I believe large savings could be effected there.

Now, Sir, the other practical suggestion which we put up was that the work of the Public Works Department should be much more decentralized than it is at present. I think the ideal to be aimed at is that the headquarters of the Public Works Department should be reduced to a generally supervising body, and that as much work as possible should be done by private enterprise, and given out to contract or whatever method may be most suitable. We went into that question, Sir, and the hon. Director put forward a memorandum showing all the various activities of the Department, and how they could be worked by a system of decentralization, and although we realized that we could not do the whole thing at once, that it was a matter of time, many of the activities, I think he will agree, could be gradually transferred to other agencies. But we did recommend, Sir, that there should be an immediate trial in the first instance of the taking over of the activities of the Public Works Department in various outlying districts, such as the Trans Nzoia, Uasin Gishu and

Nakuru areas. The suggestion was that they should take over the roads. We quite see that would not altogether achieve the savings required, because they would still want a certain amount of headquarters. But I do believe that savings can be made, efficiency will not be reduced, and that a real step forward will be made if these suggestions are put into force; and I welcome the announcement that you are immediately—I think you said "immediately"—going to appoint a committee to go into that.

Now, Sir, on the other side. Has Government got a really constructive policy of development? That is what we want to be clear about, Sir, and we do want to have that brought forward in greater detail than we have heard up to date, and the various methods towards that which have been explored. In regard to that the first point is the Agricultural Credits Scheme, for which, as the hon. mover pointed out, there is a token vote towards interest. I perfectly realize that money is almost impossible to get to-day. I quite realize it is no good saying we must have a big agricultural loan from home at the present moment, but I do submit we must have a scheme all ready, cut and dried, so that at the first favourable moment we can ask for such an agricultural loan, which to my mind is essential for the better development of this country. I understand Government are quite in sympathy with such an idea, and I hope that it will be proceeded with.

The next thing, Sir, is that we feel that publicity to bring in fresh citizens and fresh capital to this country must be pursued. Reports have been put up by this Committee, and I understand Government has accepted those suggestions. I hope they will be pushed forward, so that we can have a proper scheme for the best possible publicity for this country. It seems to be attracting all sorts of interests, I am glad to say, and we can do a great deal to bring in very many more people to this country, which must have the effect of enhancing the finances and revenues of the Colony.

There is another method of helping production, Sir, which I am afraid somehow we let slip out of this Report, and that is the application of the Fencing and Dipping Acts. We did discuss them in the early days of the Committee, and I think we were going to have more detailed estimates put in, but I am sure everybody will agree that in these days, when one wants to help on mixed farming, the application of these two Acts is very essential. How much money would be required I am not quite sure; as far as the individuals are concerned they can get it from the Land Bank; the question is where Government will get their money from to do their part under that

Act. I was sorry to see there was no provision in the Railway Estimates either, but I hope Government will take that up, and though it is not specifically allowed for in these Estimates that those Acts will before long become the law of the country.

There is another method which I think we have got to pursue, and that is the further exploration of new forms and varieties of crops which farmers can grow instead of being too much dependent on one crop year after year. I do hope, Sir, that Government have at last made up their minds to resuscitate the work of the Board of Agriculture, which is particularly helpful on all such matters. On that I do hope that by tomorrow morning perhaps I shall get an answer to a question of which I gave notice last Friday.

The other point on which we feel very strongly, Sir, is this question of the balance of trade. We have put up recently two proposals, definite proposals, which would help that. One was for the prohibition of the import of floor, and the other one was for the reduction of the importation of coal. Unfortunately, in the first instance the Government did not see eye to eye with us, and in the second instance the Railway Administration said they could not do without coal, but there are many other methods of balancing trade, and I do submit that we must explore every avenue of achieving that object. I do not quite understand, speaking on that, what the Report of the Joint Committee of the Houses of Parliament has to do with our proposal under section 7 in asking for a committee to go into and "examine and report on the balance of trade and the present position of the Currency Board," because I cannot recollect there is any reference to that. I understand the question of branch line rates, because they do definitely propose an Adviser on Transport. I submit, Sir, that this question of the Currency Board is a very, very serious one, and that we ought to know how we do stand. We understand that their funds have been reduced in the last year or so to a very small figure—I think not more than £1,000,000 now.

We have said it very often, Sir, and I do not want to go on repeating, but I must just say this, that in our opinion the right form of getting our finances right is more by reducing expenditure than by increasing taxation. We have got these various proposals for taxation here, some of which on this side of the House we have agreed to on the basis of what the hon. and learned mover said of equal sacrifice for all the different parts of the community, and we do feel that there are certain sections of the community, people dealing in a professional way, and such people as lawyers and banks, and such-like people, who do not pay their fair quota towards the revenues of the country, and especially at this time when we are asking the official community to have a levy on their

salaries, we feel they should also make some contribution towards that. The question of this Bill introducing licences for professional people is, as the hon. and learned Member stated, put up for discussion, and will be thoroughly explored. We are, most of us on this side of the House—I do not think I can speak for all the Members, but most of us thought that some such Bill should be introduced, but we of course have not committed ourselves to the details of it, or the amount of money to be collected.

Sir, I do not think the hon. mover referred to this question of the credit balances held back from loan funds. I do not think anybody can think that that is a sound method of finance to keep back these credit balances from the loan funds so as to bolster up the financial position of the Colony. It can only be used as a temporary measure because our cash position has got so bad, and I do trust that Government will at the very earliest possible moment release some of this money to go on with the purposes for which it was originally voted. We on this side had some doubt as to whether actually the building of public buildings was the best method of using this money, but after going into it very carefully with the hon. and learned mover of this motion, we were satisfied that though money voted for public buildings need not necessarily be spent on the particular public building which was originally mentioned it must be kept within the heading of buildings, and could not be diverted, for instance, to help the Land Bank. I think we were satisfied on that point, Sir. We do feel that this is not the right way of making use of loan money, and we hope that it will only be a very temporary measure which will soon be put right.

Sir, there is one paragraph I should like to refer to—No. 15—

"The Committee, however, has received an assurance that Government does not consider the Estimates to be immutable. The situation will be carefully watched from day to day, and every opportunity of effecting further economies will be seized. The fact that financial provision is made in the Estimates does not mean that the money will be spent regardless of circumstances and without necessity."

I hope that does not mean that in the past Government have spent their money without necessity, but in my mind, Sir, that paragraph is rather in the nature of soothing syrup, and we want to see something much more definite, that Government really have got down to realizing the necessity for much more drastic economy than is reflected there. We are told they cannot reduce expenditure any further, and if they cannot do it now, how can they expect to do it during the course of

the coming year? I am afraid that paragraph seems to me rather like what Mr. Philip Snowden—or should I call him Lord Snowden now?—said on another subject the other day, which he described as “idle vapourings that tickle the ear but leave the brain empty.”

There is another big question, Sir, which is overhanging us and which we cannot ignore, and that is this menace of locusts. We have put in a token vote of £5,000 to be ready to deal with that menace. We all hope, of course, that the menace will not develop, but it is no good shutting our eyes to the fact that if it does develop it may result in the destruction of millions of pounds worth of produce in this country, and that any insurance which will avoid that is well worth expending. I understand, Sir, that Government are prepared to support as well as they possibly can any recommendations of the Locust Committee, and that this £5,000 is not a limit to what shall be expended, although it is a token vote for the time being.

Coming to this follow-up Committee—what we said was that so often we have this debate, we all scatter away, and then nothing happens. I understand from the hon. member that Government are going to see that all these recommendations are followed up, but I gathered also from him that it is going to be a purely Government departmental matter. I do wish that Government would accede to what we have been pressing for for some time and would appoint a small standing committee of officials and unofficials together to keep their finger on the pulse of financial developments in this country during the year, and to bear in mind all possible methods by which the position can be rectified.

There are just two or three small matters which come under departmental heads—the first is not perhaps small—under the Education Department. We went very exhaustively into the question of compulsory education for European children. There is no question that there is a serious position arising under which there are a certain number of European children growing up in the country who are not getting proper education. We felt very strongly that at the earliest possible time compulsory education for Europeans should be introduced, but at the same time, with the present finances of the country, such a scheme would entail taxation on people, and we recommended that this should not be brought into force until the beginning of the following year, but I hope very much, Sir, that by the time the Budget for 1933 is introduced a definite scheme will be able to be produced.

Under the Medical Department, Sir, on page 20, about the fifth paragraph down, it says, “The Director of Medical and Sanitary Services explained in detail the proposal to

abolish the post of Resident Surgical Officer” at the Hospital in Nairobi. We went very carefully into this, Sir, and under present conditions, when there are such a large number of highly efficient private practitioners in Nairobi, it was pointed out that on technical grounds it could not be justified still to retain a very highly paid officer as Resident Surgical Officer of that Hospital. I should like to say with what regret it was that we had to agree to that recommendation of the hon. Director in that it entailed losing the services from this town of that very efficient and extremely popular gentleman, Dr. Jewell; and I think it is the general feeling of everybody that we hope we shall see him back in our midst again in some capacity or other before too long.

There is one other point I should like to touch on, and that is the refusal of the Secretary of State to allow us to have an air mail stamp. It was a proposal put up by the hon. the Postmaster General, and my friend is a very conservative person who dislikes any innovations, and he would not have put up this proposal unless he had been satisfied it was a sound and legitimate one. It seems to me it is unnecessary interference on the part of the home authorities that we should be prevented from having such a stamp, which is estimated to bring in £1,000 in revenue, when it cannot really be anybody's affair but our own. Air mail stamps are in use in many countries all over the world, and we should not be starting any innovation in doing that.

I have generally traversed this Report, and I should like to end up by saying that I do hope that Government will go on, never losing sight for one moment of the gravity of the situation, so that we can put ourselves once more in a sound position to build up again our surplus balances and help on the development of this country. I hope that they will not shut the door in the faces of hon. Members on this side of the House, but will allow us to give any assistance we can in achieving that object. I feel that after what has been said I cannot vote for the motion, because I understand it means only voting for the proposals of the Official Members, who, as I have pointed out before, are merely a minority of the Committee.

THE HON. CONWAY HARVEY: Your Excellency, I am sure it will be a relief to the House to know that I intend to form a precedent of being brief, for three reasons: Firstly, the Noble Lord has most adequately covered the ground. Secondly, my views in regard to the 1933 Budget are very clearly expressed in the Committee's recommendations and in the recommendations of Elected Members in the Report under discussion. Thirdly, Sir, I do not wish to anticipate the views which my colleagues on this side of the House will undoubtedly advance in due course.

Now, Sir, speaking as a farmer, primarily representing farmers, the outstanding feature to my mind of this Budget is the complete failure of Government to realize the paramount importance of increasing the wealth of the Colony and the taxable capacity of its inhabitants by stimulating and increasing production. It really, Sir, is rather striking that in a purely agricultural Colony such as Kenya the sum of money provided for agricultural services is actually less than that provided for the Police vote. I yield to no one in my admiration for the efficiency and gallantry of the Police Force, but, Sir, I suggest that in that respect Kenya really must be absolutely unique in spending more money on police services than on agricultural services.

I think, Sir, that Government lethargy and dilatoriness has been absolutely deplorable in not paying heed to the numerous recommendations which have been made by responsible authorities during the past twelve months with a view to effecting economies and enhancing the wealth of the Colony.

The first item on which I should like to comment, Your Excellency, occurs in No. 6 of the Select Committee's Report. Of course we all agree with the proposal that as much of the Colony's money as possible should be spent in Kenya and that as great a proportion as may be of the million pounds now going out of the country should be put into circulation locally. But I suggest, Your Excellency, that there is another direction in which outgoing expenditure might be conserved to Kenya, and that is, Sir, if Government would follow the very strong recommendation made by this House a good many years ago, and make reasonable provision for the acquisition of small plots of land throughout the Colony for retired officials and other retired people. I think that is a matter which has been too long overlooked, Sir, and I think it is a matter of greater importance than it appears to be at first sight. Not only should we like to have the incomes and pensions of these people spent in the Colony, but we should welcome them as members of the public whose knowledge and experience would be very valuable in the economic and social life of the Colony.

Another direction in which Government lethargy and dilatoriness is deplorable, Sir, is in absolutely failing to accept to any extent the recommendations of the numerous committees which have sat during the last two or three years, and put up agreed proposals which would have had the effect of greatly reducing Government expenditure, especially in regard to the housing of members of the Service, pensions, and leave and passages. Definite recommendations have been made by these three committees over a long period of years, Sir, and, as I have said, great economies could have been effected if Government had seen fit to accept them. They are

again expressed in the more recent Report of the Terms of Service Committee. We all appreciate and note with pleasure that Government intends to do its utmost to implement the recommendations in regard to the establishment of a local service, but, Sir, this same Committee also elaborated what the three previous committees mentioned in regard to the subjects I have mentioned, and I am very disappointed indeed that we have heard nothing in regard to Government's proposals in regard to these matters.

My next comment comes under paragraph 9. I should like to make it quite clear to the hon. Members opposite that Official Members are entirely in error in stating that the reduced salaries of people in ordinary employment are of a temporary nature. Nothing of the sort, Sir. There is no tax or levy in that picture. They are permanent cuts rendered necessary by the circumstances of the case.

Now, Sir, my next comment is in connexion with paragraph 15, which the Noble Lord described as "soothing syrup." Well, Sir, I should call it a poisonous drug. We know the Estimates are not immutable, and we should welcome any efforts of Government to reduce such items of expenditure as may quite properly be reduced without interfering to any extent with agreed policy or principles that have been agreed to from time to time by this House; but I feel, Sir, that there is a very great danger—as was the case at the beginning of this year—that principles may be violated and policy may be changed without representative people being given an opportunity of commenting on such a proposal, and I sincerely trust, Your Excellency, that any changes of major importance will at least be referred in detail to the Unofficial Members of Executive Council, which I understand was not the case at the beginning of this year.

Now, Sir, in regard to locusts. We are all very pleased indeed that Government accepted the Select Committee's Report and appointed a very representative and competent Locust Committee, which got right down to things, and which has made many recommendations to Government. But, Sir, it is very unfortunate that those recommendations, made by an expert body fully alive to the circumstances of the case, were rejected in many cases by Government, and I suggest, Your Excellency, that Government was not at its brightest when it invited people to bring in dead locusts in the Kikuyu Province only at one cent a pound. Now, Sir, the Locust Committee recommended that the sum of two cents a pound, after very careful investigation, should be paid throughout the Colony. Well, Sir, what happened? Government in its wisdom agreed to pay one cent a pound in Kikuyu, and before

that recommendation was even approved the locusts had left Kikuyu and gone into other provinces. That, Sir, does not help the business at all.

I should like to make one other comment; Sir, in connexion with the coming locust policy. A token vote of £5,000 has been included in the Estimates for this purpose, for a vigorous anti-hopper campaign; and other locust destruction methods. I sincerely trust Government will not be too pernickety in regard to the expenditure of this money, and that, having selected reliable, efficient, honourable servants to carry on the work, they will allow them to get ahead with locust destruction and not be made to conform too strictly to the somewhat complicated Treasury requirements in regard to the expenditure of the money. Get on with the job, kill the locusts, state what they have done, and get the approval of Government afterwards. On that subject, Sir, the Select Committee recommended that the Government should get in touch with the Conference Lines and the Railway Administration with a view to getting reduced freights on locust meal and dried locusts. We shall be grateful if the hon. mover will tell us what has been done in that direction when he replies to the debate.

Now, Sir, I sincerely trust that Government will wake up at last to the realities of the situation and move in such matters as call for immediate action, and not ignore Elected Members' recommendations, as they so often have done in the past, until they become lost in the mists of antiquity.

In conclusion, Sir, I should like to urge again the very great importance of getting authority from home, before the 1st January if possible, to spend the very small sum of money which has been voted for the maintenance and construction of roads during 1932. In years past, Your Excellency, the Public Works Roads Department has been standing idle during the first three months of the year—the very best period of the year in which to make roads—because the money has not been sanctioned until March or April, and I am quite sure my hon. friend the Director will agree with me when I say that money spent in the dry weather at the beginning of the year will go twice as far as money spent later in the year after the heavy rains; and I should like to express my very grateful thanks to the Select Committee and the Government for its belated act of justice in agreeing to at least a portion of the money necessary to re-establish communications between Nairobi and Kisumu by the very best main trunk road. That road is becoming increasingly important in as much as every week or two a number of passengers by air mail require to be motored to Kisumu, and it is grossly unfair that they should be asked to go well over a hundred miles out

of their way owing to Government's failure to reconstruct two or three bridges which were washed away at the beginning of last year.

Before I sit down, Your Excellency, I should like to express my very deep appreciation of the admirable spirit in which Railway and Government employees have accepted the levy on salaries. As was said to me on Saturday, Sir, by quite a subordinate Railway employee: "In these times we must all do what we can to help the show along, and it is infinitely better to suffer some temporary inconvenience by a small curtailment of salary than to have numbers of men, women and children thrown on the streets out of employment."

CAPT. THE HON. H. F. WARD: Your Excellency, there are two points, before getting down to the main theme, which I should like to make. In making my first I am somewhat at a disadvantage because, owing to absence on leave, I was only able to attend 25 per cent of the sittings of the Select Committee. But, Sir, I was there quite long enough definitely and thoroughly to understand that it only required an assurance from Government that they realize the seriousness of the grave position and the grave potentialities for 1932 to have cut those deliberations very short indeed, and I do submit, Sir, that neither Government nor the public of this country should pay too much attention to the detailed recommendations in that Report. The underlying theme is simply this—it comes from, this side of the House—the refusal of Government to accept or understand or realize the grave position in which this country stands and what it has to face in 1932.

The second point I want to make with every possible emphasis is this: that there is no reasonable sacrifice Government can ask the unofficial community to make which we shall refuse. I speak for myself and a large body of unofficial opinion in this country when I say we will accept any reasonable sacrifice Government may care to impose as long as Government on its part will do its duty. Our opposition, as far as it goes, is simply due to a stone wall attitude on the part of Government to refuse to realize the gravity of the position we are likely to be faced with, and it is only on that point that we refuse the taxation put by Government before us.

The hon. mover reiterated on several occasions in his speech the outline of Government steps towards economy. I listened very carefully to these and I think it is fair to say that none of them went far beyond the normal control that the British administration should impose upon the large



expenditure of public monies. Not one seemed to me to refer to any particular specified effort to meet the conditions we are likely to run into next year, and the position seems to be left there. The Government seem to depend wholly and entirely upon its revenue estimates which we say—and I think we say with a good deal of justification—are very largely optimistic. Secondly, it relies on a very small surplus of something like £50,000. Beyond that we cannot move Government and beyond that, since the 31st August, the Select Committee on the Estimates has been unable to move Government. The position as I see it, Sir, is this: if you read the speeches on the Budget debate for 1930 there was introduced into that the question of what is called "lag," and I think that if any hon. Member would like a little light reading for amusement, something to make him really laugh, he should read the prophecies by the hon. the Treasurer in respect of 1931. The hon. the Treasurer dealt with that question of lag, and lag is very largely a matter that is influencing us now and is going to influence us in 1932. Lag in this case is the period of time which elapses between any violent disturbance overseas and its effect in this country, and over a long period of years, having studied that question—I have said it before—the normal period is roughly somewhere about eight months. We said last year we thought that people ought not to be too satisfied with the then position, that that lag meant that we were not really feeling the full effects of the position as it was and as it was likely to develop. What point have we come to now at this period in 1931? We are beginning to feel, if we have not already completely felt, the full effect of the world depression but, Sir, is there any sign of any definite improvement anywhere on the commercial horizon that anybody can see? I was one of those, I remember, who, twelve months or more ago, took the liberty of correcting the hon. Member for Plateau South on exactly the same point. My point then was that I hoped we had escaped the full effect of the depression by reason of the lag and by reason of the fact that times would improve before the full effect was felt here, but that is wholly and absolutely proved wrong to-day and Kenya cannot escape—there is no possibility of being able to escape the full effects of the world-wide depression. Take this thing that has happened just the other day, this further depression in sterling whereby purchases made by a country not on the gold standard from one on the gold standard become almost prohibitive—in some cases the increased cost amounts to over 33 per cent. That is bound to affect our trade; we do deal largely in those sort of goods. As the hon. the General Manager foreshadowed, they may even affect the working costs of the Railway. 1932, as far as I can see—I am not trying to be a prophet as the Treasurer was but I am trying to make an ordinary fair

business summary of the position—1932 must be very largely taken up in regard to those sort of adjustments that are essential before we can reach any form of smooth water, and the earliest possible moment that there can be any considerable world improvement must be towards the autumn of 1932, and therefore it is fair to say that you will not feel the effects here in Kenya in 1932, and it is therefore fair to say that your revenue estimates are very much on the optimistic side. Government having refused to acknowledge that or to take any adequate steps to meet a special situation which they cannot possibly avoid we have to leave it in spite of our struggles in the way it now stands.

The next thing to examine is what is the cash position of the Colony? In doing that, Sir, it is almost impossible to exclude the Railway position, chiefly on account of the fact that this Colony is responsible for a large sum of money which has been employed by the Railway—a contingent liability in respect of loan charges. The cash available for 1932 is £684,235 in the Railway account, and in the Colony account £266,708—which is a total of £951,000 odd. That is the total cash we have to work with in 1932. The General Manager in the course of his speech—I apologize for mentioning his name, I had no idea he would not be here to-day—the General Manager did say in the course of his speech that the normal amount of cash required by the Railway was in the neighbourhood of one million sterling but they were trying to do with the £684,000 odd. To put it another way, the total resources of the Railway and the Government of Kenya are less than the Railway want for themselves. And those resources only remain available if, firstly, the Railway do not increase their estimated loss and, secondly, if the Government secures the revenue which it says it is going to, and I submit that on the conditions as we see them looming in 1932 that is very very delicate ground to place any assumption of that sort on. Sir, there are two aspects in regard to that: there is first the moral liability that no Government can escape, and there is second the practical matter in regard to its services and its staff. On the first point, may we for a moment see where these cash supplies came from? With regard to the Railway amount of £684,000 odd, that is only made available by a direct infringement of the Secretary of State's instructions in regard to the amount that shall be put aside in cash each year for renewals. It is not a bad crime; it is merely an inter-departmental matter; it is merely an administrative matter, but in order to be able to provide that sum of money, without which the Railway could not run, they definitely have had to fly in the face of those instructions. When it comes to the Colony, Sir, you get a very much more unhappy picture. The funds there—the balance of loan funds



—can only be employed by a direct misapplication of the funds subscribed in Great Britain by the general public of Great Britain for the development of our Colony. I wonder, when I think of that, whether the Government really realize the effects when the committee of the Stock Exchange, the issuers on behalf of the Crown Agents, those larger investors in loans—the banks, the insurance companies and the trust companies—realize what happened in 1931 and what the Government propose shall happen in 1932. Personally, Sir, that is one of the definite reasons why I could not—to use commercial parlance—sign the Colony's balance sheet—a direct misapplication of funds that have been entrusted to this country under an Ordinance of this House for a specific purpose, and to that end Government have not moved one inch to try and put the position right. Some excuse might be found for having done that in 1931 in that, in spite of warnings from this side a year ago, Government did think they would be able to get through on the revenue estimates as framed then, and these situations are ones that develop quickly and before you know what has happened all your money has gone except your bondholders' money in the shape of the balance on the loan. But is there a shadow of excuse for the Government doing the same thing in 1932? For that, I submit, there is none. There has been no effort to rectify that position or put it right. The second bearing, Sir, is on the service of Government and on the servants of Government. The hon. mover said that any economy on the part of Government could only be at the expense of the services offered by Government and at the expense of the servants of Government in the shape of retrenchments. I believe that to be an honest statement of fact. What are Government risking actually by making no adequate provision? They are risking a repetition, which in my view is absolutely inevitable, of exactly similar circumstances as 1931. Government finds these revenue estimates are not coming up to the point. There are hurried consultations; swift notices to Heads of Departments to reduce their expenditure, and if the hon. mover is right, as I am sure, and the services rendered by Government are curtailed or destroyed, the expense of building up those services is lost and the Colony has to face replacing those services later at very increased cost, and a lot of very humble servants of Government are turned out to face a very hard world unemployed—that is the risk, with an open mind, with a completely clear picture before them, the Government of Kenya is prepared to take in respect of 1932. I submit, Sir, that on that second ground the attitude of Government is wholly and absolutely wrong. It is no good speaking like this unless one can contribute something more or less constructive as a remedy. I think that if Government had started somewhere about the middle of the year making long range plans possible the

position would not have been so bad as it is to-day. On that point I am not sure but I am sure of this, that there is only one step left open that might help the service of Government, the machinery of Government, and enable its full organization to be carried through in 1932. I advance for consideration, definitely on behalf of the servants of Government, a number of whom I represent here in this House, that one step Government should take is to extend the present tour of service for Government servants by at least six months. If they did that as an emergency measure in respect of the present tour I submit that no hardship would be entailed at all, no cost, no disturbance of Government services. It does two things; Sir, I should say, also, that I visualize the necessity of that being required for the whole of 1932, but that can be seen later in the year as the position develops. What it does mean is this: Government could make ample provision for urgent medical cases and special cases which would include quite a substantial quota of those who are due to go on leave.

The second thing it would do would be, it must improve the revenues of the Colony by reason of the fact that 400 or 500 men, women and children would be living in this country, spending their incomes here instead of overseas; and the third thing it should do—but no man can prophesy accurately on that point—the third thing it should do would be to give Government a fair chance of carrying through its present staff reorganization. It is quite possible that towards the end of 1932 improvements may show themselves, but if that further sacrifice were made by Government and the service men, who otherwise must undoubtedly risk unemployment, there is every chance that they would be kept employed and that Government would be able to win through without any serious disturbance or hardship created on the loan staff.

Finally, Sir, I do hope that even at this eleventh hour, in spite of the fact that hon. Members on this side of the House have done everything that men could do—I do hope that even at this eleventh hour Government will rise to the level of its responsibilities and instead of saying there are practical difficulties in the way that they should put forward some method or some means of wiping those difficulties out.

**HIS EXCELLENCY:** Does the Noble Lord suggest not going on?

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** The hon. Member for Plateau South, Your Excellency, suggested that he should get his amendment out of the way. He was not here when it was taken. Perhaps you would explain the position.

**THE HON. THE ACTING COLONIAL SECRETARY:** If I may be permitted for a moment, Sir, on a point of explanation, I do suggest—unfortunately it was in the absence of the hon. Member for Plateau South when I stated that Government accepted the amendment. That follows as a matter of course and I took the liberty, in the hon. Member's absence, of moving it as a substantive part of the main resolution. If that course, of course, does not meet with the approval of the hon. Member, then I shall have to withdraw that portion of my substantive motion:

**THE HON. T. J. O'SHEA:** Your Excellency, I accept the explanation.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, now we are in your hands.

**HIS EXCELLENCY:** One more speech.

**MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE:** Your Excellency, I have little to add to the remarks I made on the introduction of the Budget, and I sincerely trust that the appeal I made then on behalf of the Coast area will not have been in vain. I hope, Sir, that steps have been taken now to increase the production in that area, and especially regarding the cultivation of rice. The Chief Native Commissioner, in his memorandum which he issued the other day, states that the first result of this was a greatly increased amount of Digo labour and an enhancement of the earning capacity of the Digo tribe owing to the campaigns carried out by the Medical Department. I sincerely hope, Sir, that this will be reflected in an increase in the production of rice by these people, as many parts of their area are eminently suited for this. I look forward with interest to the report in the nature of an economic survey of this area, as called for by the Chief Native Commissioner.

Another matter, Sir, affecting us at the Coast was my request for an improvement in communications by the establishment of a motor car service between Mombasa and Malindi. This was not a very big undertaking, and I regret very much that the Committee, which last year recommended it, this year has turned it down, on the ground that this would involve unfair competition with private enterprise. The main reason for this service, as I have explained before, was to carry the mails bi-weekly between Mombasa, Mtwapa, Takaungu, Kilifi, Meda, Malindi, and other places. The Post Office guaranteed £150 a year for a bi-weekly service, thereby doing away with the porter service now being done. From inquiries I have made I now understand two motor car owners are prepared to undertake a weekly service for this amount, but decline to run

to any specific time, which, of course, makes the proposition impossible. The revenue to be derived from this service is small, but I cannot help thinking and having a feeling that had a service of this nature been asked for by an up-country area it would have received more consideration than this one has. Owing, Sir, now to the quite large increase in the number of Europeans who have taken up land south of Mombasa, I propose next year to ask for a motor mail service to be run from Mombasa to Gazi, and hope that that will connect up later with Tanga.

One more item with regard to the Budget itself. The vote of £365 a year which has been granted to the Mombasa Nursing Home in previous years, as the European Hospital at Mombasa had insufficient accommodation, has been cut out this year, the reason given being that owing to the position being now different there was no longer any necessity for making this provision. I am quite unaware, Sir, that the European Hospital accommodation has been increased. If it has been, I would like to know in what way the position is now different from what it was last year. The Nursing Home supplies a very great want, and without sufficient funds it cannot carry on. It is not a parochial institution; it caters for all.

Sir, our greatest need out here in order to balance our Budget and our trade is further production, and not only in the production of crops but in the marketing of same. The Commissioner of Customs remarked a few days ago on the want of organization among the tea-growers. I sincerely hope some notice will be taken of this. A co-operative scheme has, I think, been put forward to start a factory in Nairobi for the making of jams, preserved fruits, pickles, sauces and things like that, the materials for which this country can produce in unlimited quantities and of the very highest quality. It is most disheartening, Sir, to see the prices fetched at local auctions, where magnificent vegetables are practically given away. I hope, Sir, that this scheme will get all the support it deserves.

One of the causes of our adverse trade balance, Sir, is the want of policy and neglect of our agricultural possibilities, and this can never be permanently redressed until a great deal more is produced. Agriculture can be restored to prosperity, but in the first place there must undoubtedly be a certain measure of protection, and in the second place there must be organized marketing. I believe, Sir, banks would be quite willing to give credit to farmers, provided the agricultural policy of Government satisfied them that good farmers would be able to earn a profit from their farms. This country must

be made a self-supporting one, and it can be done, Sir. We have the land, we have a suitable climate, but we want the people. We need a bold and vigorous agricultural policy to correct our adverse Budget and balance of trade. The whole country, Sir, is looking for such, and you may be perfectly assured that if Government will undertake this they will receive a wonderfully loyal support from all concerned. We are looking to agriculture, Sir, to solve our difficulties, and by such we should be able to face the future. But, Sir, people should not be encouraged to grow commodities on land unsuitable for them.

Regarding fisheries, agriculture and fisheries both encourage the employment of a large number of people, which this country should do everything to encourage. If everyone would help the furtherance of the demand for the products of our soil, of our stock, and our products from the sea, it would be doing something to help the country.

We have, Sir, been sitting some three months in committees of various sorts. I sincerely trust the recommendations of those committees may be adopted and that the time spent on them has not been wasted. A Member of the House of Commons a few days ago twitted the Prime Minister with the number of committees of inquiry and others held in the House of Commons, and remarked, "a committee a day to keep the crisis away." Well, Sir, we may have kept the crisis off during these months, but if action is not taken by Government, and immediate action, the crisis will surely come.

Your Excellency, on this occasion especially we all miss our late leader, whose death we so sincerely mourn. He had this Budget very much at heart. We miss his caustic criticism and his sound advice, which, at this period, would have been of inestimable value to us all.

*Council adjourned to 10 a.m. on Tuesday,  
the 8th December, 1931.*

TUESDAY, 8th DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Tuesday, the 8th December, 1931, His Excellency the Governor (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 7th December, 1931, were confirmed.

#### MOTION.

REPORT OF SELECT COMMITTEE ON DRAFT ESTIMATES FOR 1932.

THE HON. THE COMMISSIONER OF CUSTOMS (MR. G. WALSH): Your Excellency, it may be convenient to the House if I intervene in this debate at this stage in order to restate the Government's position in regard to the Customs Revenue Estimates.

When the Budget was introduced in August last the Customs Revenue Estimate for Kenya was given as £266,800, and the various internal and external factors which led Government to accept this figure were then reviewed in detail. Since that time fundamental and, to a large extent, totally unexpected changes have taken place.

So far as the external factors are concerned, the abandonment of the gold standard late in September has had the effect of raising the prices of primary commodities in terms of sterling, and, apart from any appreciation which may take place later in terms of gold, the immediate effect on this country is definitely beneficial, and will remain so as long as there is no general abandonment of the gold standard and the costs incidental to production and marketing do not reflect a corresponding all-round increase. That, I think, gives a more accurate picture of this aspect of the position than is given under head (d) on page 6 of the Report.

By abandonment of the gold standard, the Customs Revenue Estimates are automatically converted from a gold to a sterling estimate; that is to say, the prospects of obtaining the estimate based on a gold currency are considerably improved by transposition to sterling currency worth less than three-quarters that of gold.

On the other hand, the very disappointing estimate of current crop yields, due to the continued locust invasion which in August was thought to be more or less a temporary visitation, to a large extent nullifies the advantage which would otherwise be gained from improved sterling prices, as it is impossible to reap any benefits from the rise in market rates unless the Colony has goods to sell, and it is solely for this reason that the Estimate for 1933 has been reduced to £730,000.

The hon. Elected Members in the Report of the Select Committee state that they consider this revised estimate is still too high, and that in their opinion the amount likely to accrue in 1933 is £675,000; but how this figure is reached is not clear. The official estimate is based on an examination of some 300 items, and this is quite necessary if a proper appreciation of the position is to be formed, because, although the purchasing power of the population is the ultimate governing factor, the percentage accruing to Government in respect of cost of each article must be taken into consideration. For example, the duty on spirits is more than 200 per cent above the landed cost, the duty on tobacco and matches at least 65 per cent of landed value, and unless each item is estimated separately the possibility of a wide margin of error exists.

It may be that this method of arriving at the figure of £675,000 has been adopted. I am not in a position to say. It may be also that their proposal to tax the salaries of officials of Government and the Railway to the extent of more than £150,000 (i.e. £95,000 Government and presumably a *pro rata* reduction, amounting to about £60,000, in respect of Railway employees) has been calculated to have a very adverse effect on the Customs Revenue; a reasonable assumption, as indirect taxation is to some extent optional on the individual, and the curtailment of consumption of luxuries and semi-luxuries by this very important section of the taxpaying community would obviously result in a serious contraction of the Customs Revenues.

The two estimates are not based on the same factors, and on this account a proper comparison is almost impossible. I am, however, personally satisfied that the Government estimate of £750,000, calculated in the manner I have outlined, is not unduly optimistic. On this estimate the landed value of dutiable commodities would be in the neighbourhood of 2½ millions sterling, a very low figure indeed when related to the combined turnover of all businesses in Kenya dealing in imported dutiable goods.

As stated in August last, the Government is not anticipating disaster and is not budgeting with this eventuality in view. As stated by the hon. mover yesterday, Government

is attempting to weather the storm. So far as the Revenue Estimates are concerned, Government is doing its best to steer a course between foolish optimism on the one hand and a dangerous pessimism on the other. Many of the navigation lights are obscured, but to infer that Government is viewing the situation with a fatuous complacency through a golden haze indicates a gross misunderstanding of the position. The House has already accepted the Railway Estimates based on 1931 figures in terms of tonnage, the bulk of the revenue accruing from the import tonnage handled. This being so, I fail to see why it cannot accept the Customs figure, which has the added advantage of being based on values, which values are bound to appreciate in terms of sterling.

THE HON. T. J. O'SHEA: Your Excellency, I am not a signatory to this Report; although I attended a large number of the meetings of the Committee I had to refuse to sign the Report. Had Government accepted a reasonable proportion of the constructive suggestions put up by Elected Members for dealing with the position, I might have seen my way to swallow my dislike of other suggestions of Government which were agreed to by my colleagues and signed the Report. But as our efforts to co-operate with Government in finding a solution for our present difficulties were ignominiously turned down I feel I was entirely justified in declining to sign the Report; and as, Sir, Government has thought fit to decline acceptance of the advice of Elected Members, I think it is only fair that we should look back over the events of the past twelve months to see where Government has shown so much greater wisdom than we. Members on this side of the House and whether we were unsound in the advice we offered to Government during the last twelve months.

It was just about this time last year, Sir, that the late Lord Delamere, speaking on behalf of the Elected Members, urged upon the country the cessation of political activities and concentration upon our economic problems; and he warned the country that the crisis through which we were passing was not likely to be a short one; that it would be very severe and demanded all our energies; and, following that up, we urged upon Government the necessity of appointing a comprehensive committee to investigate the position and make recommendations. That advice, Sir, was very definitely turned down by Government for two reasons. One reason was we were given to understand that the position was not anything like as bad as we were trying to make out, and, secondly, we understood that we were not considered competent people to recommend solutions to Government; that if it were to be left in the hands of local people, Government itself was competent to deal with the situation, and that if it were more serious

than that, then an expert would be brought out from overseas. And so, Sir, Government has taken on itself full responsibility for dealing with the situation.

I cannot give my support to the adoption of this Report, or to the financial measures that are recommended by the minority section of that Committee, because in my opinion the recommendations are entirely inadequate to the needs of the situation; because I believe that Government has completely failed to deal with that situation as it should be dealt with. We have contended, Sir, that our expenditure estimates are out of all proportion to the ability of the country to pay the amount of money involved.

Now it is common knowledge, Your Excellency, that unofficial opinion in this country has contended for a number of years that Government expenditure is out of all proportion to what the country can reasonably stand. For one reason or another that opinion has not been generally accepted. The reasons I should think very largely are that for some years the past situation has been disguised by certain factors that are not now present. The extravagance of our Government expenditure has been camouflaged by the fact that we are expending large sums of borrowed money. It is not generally appreciated that the apparent prosperity of the country in recent years has been very largely due to that expenditure; also, sufficient attention was not given to the influence on our capital coming into the country for investment in one form or another. But to-day we are without the presence of those two factors, and can see more clearly than ever before that our Government expenditure is out of all proportion to what the producing capacity of the country can bear. I, at any rate, Sir, have urged upon Government during the last two or three years that it is very necessary that inquiry should be made with a view to ascertaining what exactly is the position of this country. In my arguments from year to year against the growth of Government expenditure I have stated—and I get a certain amount of lip sympathy from Government, that we were working in the dark to an extent that was dangerous, and that in the interests of the country it was necessary to make investigations so as to give Government some idea of what it really was demanding from the community in the way of contributions to Government expenditure.

I have therefore, in my efforts to appreciate the Estimates we are now discussing, to get out some figures for my own guidance, and I put them forward to this House very largely for the purpose of challenging Government to produce some other figures to show on what grounds Government thinks that its Estimates of Revenue and Expenditure for 1932 can be

justified. I accept as the first figure the value of exports for 1932 as estimated by the Government expert. I express no opinion of my own as to the value of that figure, because my opinion was not considered of any value in Select Committee any more than were the opinions of my colleagues on this side of the House. Government preferred to accept the opinion of its experts. That being so, I suggest that Government must still accept the figure of its expert in this case. Government's expert has estimated the value of our export trade next year at £1,300,000. I have arrived at a rough-and-ready figure of £3,000,000 as the value of all other contributions to our taxable wealth. Admittedly that figure is a jump in the dark, but it is intended to cover the new wealth produced in the country and consumed within the country, the money that we make out of services rendered to our neighbours, the money derived from visitors to the country of one sort or another, and various odds and ends. It may be said it is on the low side—I should like to hear Government produce some figures to show it is on the low side, because the little balance sheet I have drawn up is such a disquieting one that I should like to have it shown to me and to the country that the figures are not accurate. As against those two figures, which I regard as the only figures to justify taxation, I set off £1,000,000 as provided in these Estimates and in the Railway Estimates for interest and redemption charges on Railway and Government loans—I think there is no disputing that figure. I have then allowed a sum of £600,000 as interest on private loans, being 7½ per cent on £8,000,000. I have included that figure because it is a first charge on the production of the country. The development of this country, both agricultural and commercial, has been very largely based upon borrowed capital; and the first levy on the fruits of the enterprise represented by that borrowed capital is interest. The rate I have allowed—7½ per cent—is, as I think will be agreed, a low one. It is certainly below the average. The amount of £8,000,000 is the most conservative figure that anybody has yet arrived at as to the amount of money invested in this country by the banks on overdrafts and by private lenders on mortgage. The figure has been given as high as £12,000,000; the lowest I was quoted by a responsible banker was £9,000,000. £4,000,000 of it is definitely established by the Statistician as the amount on loan by the banks; the balance of £4,000,000 is, I am reliably informed, a very, very low figure indeed to estimate as the amount of money lent out from other sources. My third figure, Sir, is the cost of Government services, the net cost after deduction of interest and redemption charges and reimbursements; that figure is approximately £2,100,000. My last figure on the liabilities side is a conservative estimate of the payments to be made overseas for our imports for 1932—I place

the figure at £3,000,000. That is to some extent based upon the estimate of the hon. the Commissioner of Customs for his Customs duties next year; he has been good enough to inform me just before Council opened that £3,000,000 is the figure he has in mind as the c.i.f. value of our imports next year. That makes a total of £6,737,000 that has to be met by the country next year out of new wealth produced to the value of £4,300,000, leaving a deficit of £2,437,000. Now, Your Excellency, it is the ideal state in which taxation and the other revenue necessary for Government services can be raised entirely from year to year out of the new wealth produced. But the ideal state does not exist to-day, so that we are no differently situated from other countries when we have to tax accumulated wealth, and when we have to borrow ourselves and force the taxpayer to borrow to meet his commitments. So I admit that it is not fair to expect Government to recover all the costs of its services and to expect payment for all our other liabilities to be met out of new production next year, seeing that we are in very bad times, but I ask Government what are their ideas as to the sources from which this deficit is to be made up? To some extent it must be expected from accumulated wealth. Admittedly in the case of the natives you can extract a certain amount of money from that source, and it is interesting to find that despite the statements of Government that everything possible has been done to stimulate production in the Native Reserves, at the present time policy in the Native Reserves is subordinated to collecting the taxes for 1931. But in the case of the non-native communities of this country, I suggest, Sir, that you cannot rely upon any collections from accumulated resources, as our reserves have been eaten up by the bad times through which we have been going in the last three years. So, Sir, the picture that I have framed in my own mind is that Government, having stated its inability to raise loans nationally to meet our present difficulties, is compelling the taxpayer of the country, native and non-native, to go further into debt next year in order to meet our liabilities; and by maintaining the heavy estimates of expenditure that Government is maintaining for 1932 it is deliberately shoving this country further into debt, and making the individual taxpayer face a situation at the end of 1932 in which he will be very much worse off than he is to-day.

I have acknowledged that some of these figures of mine are tentative, Sir. I have pleasure in handing a copy to the hon. the Treasurer, whose views on them I am sure this House would like to have; and a further copy to the hon. the Acting Colonial Secretary, whose views on the economics of the country perhaps do not command the same respect, but whose forensic reasoning on these figures will no doubt be entertaining.

I am opposing the adoption of this Report and I am opposing the Estimates based upon it because, after giving very serious thought to both, I am satisfied that Government's expenditure next year is on such a scale—the revenue to meet it being correspondingly high—that the recovery of the country will be definitely retarded by the adoption of these Estimates. The Estimates of Revenue, in my opinion, have not been justified by Government. From paragraph 15 of the Report it is quite obvious to anybody who can read between the lines of a Government report that Government in its heart of hearts does not regard its estimates of revenue as conservative ones, but it is taking a chance. In my opinion, those estimates of revenue have been put in as high as they have been for two reasons: one, to save Government the necessity of still further curtailing its expenditure; and two, to assist Government in defeating the efforts of Elected Members for securing further economies. They have been kept deliberately high to justify Government's non-acceptance of our economy proposals. I congratulate Government upon one thing—upon having completely defeated Elected Members in their efforts in the Select Committee. When we were defeated in our efforts to get an economic and finance committee we foolishly deluded ourselves with the idea that we could turn the Estimates Committee into an economic and finance committee, but the arts of bureaucracy were too great for us, and we were defeated completely. I congratulate Government on that victory; but it is a sporadic victory, and it will suffer for it, before the year is out. I oppose the adoption of this Report, Sir, because Government has not effected the economies that were possible by reducing the cost of services. It has, I frankly acknowledge, very considerably reduced the services, but it has not done anything like what it could have done to effect economies on the cost of the services still to be maintained, and I say this, that it failed because Government had not the will to economise. In the suggestions put forward by Members on this side of the House regarding the Police and the Military, regarding the Public Works Department, regarding the organisation of the Administration, and regarding the terms of service, there was ample scope for Government to effect further economies had the will to do so been there; but it was absent. Instead of that, Sir, it has relied upon meeting these obligations by the imposition of additional taxation. Your Excellency has said from time to time that nobody likes new taxation—of course not—but I hope that will not be taken as meaning that Members on this side of the House have declined to take Government's taxation proposals from time to time on their merits. We must be allowed the credit of having on occasions when a case was proved, on many occasions when a case was proved, voted with Government for additional taxation in this

country. We do not adopt an unreasonable attitude in these matters, and on these occasions Members on this side of the House have shown themselves extremely reasonable indeed in their attitude towards Government's new taxation proposals—too reasonable, in my opinion; but for my part I cannot agree with them. I cannot support them, any of them, because, having reviewed the facts of the case, I am not at all satisfied that there is justification for these proposals.

None of the conditions which would justify me in voting for these new taxation proposals necessary to balance these Estimates are present. I ask myself the question: "Is the money collected by Government spent to the best advantage?" I have to answer emphatically, "No." This country is labouring under the most cumbersome, the most inefficient, and the most costly system of governmental administration that I can imagine still extant under the British flag, and while it is labouring under the burden of that system of governmental administration I do not feel justified in voting for additional taxation with the country in anything like the state it is in at the present time. Secondly, I cannot support them because, having taken some part in the work of the Select Committee on the Estimates, I have had to acknowledge to myself that Government has completely failed to effect economies that could have been effected on the cost of services that have to be paid for in 1932. Thirdly, Sir, I cannot vote for them because I have been unable to satisfy myself that these new taxes will add to the total amount of revenue received next year from taxation. In my opinion, the effect of them is much more likely to be a further restriction, and I shall not be surprised if the hon. Member opposite has to acknowledge next year that the imposition of these new taxes, instead of adding to the revenue, has had the effect of restricting revenue.

I know Government finds it very hard to believe that any large proportion of the people in this country are affected by ten cents on a pound of tea or fourpence on going to the pictures, or any of these little items which seem to amount to nothing, but I can assure Government that a very large proportion of the non-native population of this country is to-day in a state that it has to count every ten cents on whatever it spends. If I have to pay £25 tax next year for calling myself a land agent, I shall have to get that £25 out of something else to pay for it, and that is the position which a very large number of the people of this country to-day are in. And is the country in a position to bear these additional burdens? Well, Sir, if Government is sufficiently intimate with the life of the country to be able conscientiously to say that the country can stand these additional burdens, then its knowledge of the

country is much more intimate than that of Members on this side of the House. I have listened to arguments time after time that because there is only five shillings here and five shillings there on the individual that it makes no difference. The way I look at it is that if you withdraw £120,000 in little bits like that from industry and put it into Government coffers for payment of Government services, then there is £120,000 less for productive industry; and it is in that way that I regard these proposals of Government, and I cannot see that you can regard them in any other way. There is all too little money in circulation in industry, and to withdraw any more of it is to add to its difficulties.

Most important of all, Sir, is the objection that these new taxation proposals will make much more difficult the task of re-establishing the prosperity of the country. Government has made a lot of promises, but in its actions it is doing everything possible to make more difficult the task of economic reconstruction. I cannot set off its promises against its actions.

Again, Sir, I cannot help feeling, I will not say "indignant"—I will content myself with saying very disappointed indeed that the constructive proposals put up by Elected Members were not taken on their merits. Promises were made in the speech of the hon. mover of this motion that Government would pursue inquiries into these proposals. Your Excellency, Government can carry on its inquiries till Doomsday, but what impression no more is the attitude I saw displayed by Government towards these proposals in Select Committee. They were combated at every stage—sometimes deliberate, open opposition, sometimes hidden opposition, sometimes by other means, but I do emphatically say this, that all the arts of bureaucracy were employed in that Select Committee to combat these proposals; and I see no hope of finding acceptance from Government as a result of these inquiries which would at any time be of any use to the country in its difficulties. Probably, when it is too late, we shall get a report of no value except perhaps for justifying Members on this side of the House in the attitude they adopted.

I further object to the adoption of this Report, Sir, because the economic policy expressed in the Estimates that they recommend is, except as regards the determination of Government to burden the country with new taxation, a negative policy. It is completely lacking in proposals designed to assist the economic reconstruction of the country, and I say that in the situation we are now in, it is essential that Government proposals for next year should embody a reconstructive programme; and that is entirely absent from these proposals.

I notice in the Press this morning that the Estimates are described, apparently in the words of the hon. mover, as "weathering the storm." Yes, Sir, I can understand that is a very apt expression, for Government's attitude is, "Let us for Heaven's sake get through the storm, and let the future settle itself." I say that is not a policy Government is justified in pursuing to-day; that the condition of the country demands an effort on the part of Government at reconstruction, and no effort is visible in these Estimates. I regard as camouflage, or, as I prefer to call it on occasions in this House, as "window-dressing," the circular which has recently been issued by the Native Affairs Department, presumably to give some face to Government's statements that they are doing something in the matter of reconstruction. As against that circular, the wish is expressed therein and the hope is expressed therein, but I cannot but be more impressed by the complete failure of Government to do anything in the Native Reserves. The meat factory, that was to have helped to solve the problem in the Ukamba Reserve, we are still waiting for. Government's promises to tackle the question of overstocking in the Reserves are still promises.

Government's promises in the passing of the Cattle Cleansing and Fencing Bills that something would be done to promote the dairying industry are still promises. Government has not found it even possible to include the comparatively trifling sum of £5,000 in these Estimates to enable these Ordinances to be brought into operation.

I should like to ask where is the constructive programme that Government is attempting to justify itself on?

Again, Sir, though I am not a purist in finance, national finance, I find it impossible to support this Report and the Estimates based upon it because of the unsound finance embodied. It may serve the needs of Press propaganda to speak of the use of loan funds for normal expenditure purposes as maintaining these balances to support the cash balances of the Colony. That is a very nice way of putting it, but in actual fact what is being done? Loan funds intended for specific purposes are not to be spent upon those purposes, but are to be held in reserve in case Government is disappointed in its expectations of revenue next year and is called upon to find money elsewhere to meet necessary expenditure; and if there is any other reason for the reservation of these loan balances than that Government does intend, if the necessity arises, to make use of them for the ordinary financing of the Colony, then I should like to have that explanation given, because I am not alone in believing that the statement issued to the public is a manner of camouflaging the misuse of loan funds should necessarily demand.

Your Excellency, that is broadly the basis of my opposition to the adopting of this Report and the Estimates, but there are a number of subsidiary matters for dealing with which I would ask the further indulgence of the House. We have been promised another committee to inquire into the proposal that the local government bodies should take over some of the activities of the Public Works Department. May I say, Sir, that I am very sorry indeed to hear that Government themselves have to waste any more public money on such an inquiry. After serving on two committees to inquire along the same lines, I am definitely satisfied that it is a further waste of public money to have other courts of inquiry until Government has made up its mind that it is prepared to take the case for decentralization on its merits, and is prepared to give definite instructions to the Director of Public Works and his senior officers that these proposals are not to be deliberately obstructed. I wasted several days of my time, and several officers of Government wasted days of their time, in an inquiry into these proposals with the Director of Public Works and his senior officers, and we met with nothing but obstruction. It was obvious to us, after the first day or two, that these proposals had not the sympathy of Government, that they were not going to get a fair hearing. They did not, in fact, get a fair hearing, and they never will get a fair hearing until Government honestly deals with them.

A case was made out for saving the public expenditure next year by the adoption of these proposals, but that had no effect. The Government was not prepared to allow the Public Works Department to be curtailed, and so the proposals were turned down. They were dealt with in much the same spirit as the workshops of the Public Works Department have been dealt with in this Report, that is to say, that the Department has been established, although there is now no work to justify the continued existence of that Department, that work must be found for it. In 1922, the Public Works Department, as the result of an inquiry, was cut down to a skeleton department, but in the course of the last nine years it has been built up again, and those who are directly connected with that Department are determined that in so far as it lies in their power to prevent anything being done to reduce it, nothing will be done. I say, Sir, that as at present constituted the Public Works Department is an extravagance, and it could be made to achieve its purposes on a very different footing, that the organization could be restricted in a way that, with the assistance of the local government bodies, considerable savings would be achieved, but until Government is prepared to give such proposals consideration on their merits I see no justification for still a further committee.



Then, Sir, there was the treatment accorded to the Terms of Service Committee. That Committee had been set up by Your Excellency some little time before the introduction of these Estimates. It was steadily getting on with its job when the Estimates Committee first sat, and very early in the deliberations of the Estimates Committee suggestions were made that inquiries into various aspects of the terms of service should be referred to the Terms of Service Committee for report, to enable the Estimates Committee to frame recommendations to Government affecting the 1932 Estimates. In consequence, that Committee sat day after day and worked very hard indeed to bring out a report in time to be of some assistance to Government in dealing with the 1932 Estimates. And what was the result? It is on page 5 of the Report. In the draft Report, Sir, the paragraph dealing with the work of the Terms of Service Committee was even very much shorter—it consisted of the laconic statement that the Report of the Terms of Service Committee had been placed before Members—*but!* In this final Report it says, "The Report of the Terms of Service Committee was circulated to Members, who earnestly invite the immediate attention of Government to such recommendations as will effect economies in 1932 expenditure." Another pious hope; another promise by Government. As one of the members of that Committee, and as one who has been on three or four committees dealing with terms of service, and as one who is not actuated by any desire to extract sacrifices from the Service, I say this: that if Government had had the will to economize, the Report of that Committee could have been made the basis of effecting very considerable economies in 1932 expenditure without imposing an income tax on the Civil Service in 1932. Instead of pursuing a reasonable policy of finding a way by which the cost of the Service could be reduced without imposing hardship on the individuals, Government has preferred the easier course of imposing a tax, an income tax, on the Civil Service. Now, Your Excellency, I am, owing to a misunderstanding with some of my colleagues, inadvertently recorded in this Report as having supported the recommendation that a Bill should be introduced imposing a tax on the Civil Service. I am sure the House will accept my assurance that that misstatement is due entirely to a misunderstanding—I never have supported a recommendation that a tax specially for the Civil Service should be introduced, and I cannot give my support to the Bill that is now being considered regarding this tax. I think that that is the least satisfactory way in which the question could have been dealt with; I regard it as the one way in which a real sacrifice is being imposed on the Service, and I cannot help saying that that method would not have been pursued had Government not been so obsessed by pensions

commitments, obsessed by pensions privileges, to the exclusion of every other consideration, to the exclusion of other considerations that had more to do with the interests of the junior branch of the Service. Under this proposal I consider that the junior branch of the Service have had a real hardship inflicted upon them, and have been called upon to make a real sacrifice.

On page 4, in clause 15, there is a statement by Government that I am sure the hon. the Acting Colonial Secretary will have no difficulty whatever in reassuring the House about, but I can assure him that all his great ability and all his forensic arguing will not satisfy me that that means exactly what Government would like us to think it does mean: "The fact that financial provision is made in the Estimates does not mean that the money will be spent regardless of circumstances and without necessity." Now, Your Excellency, not even the most severe critic of Government on this side of the House has ever thought or has ever alleged that Government spent money regardless of circumstances and without necessity, and that statement is entirely unnecessary. We also know that Government has a duty during the course of the year to watch the position of the country, to watch the work of its departments, and to effect economies where economies can be effected; but, Sir, something more than that is definitely intended by this paragraph. It is intended by Government, I feel convinced, that the estimates of revenue being possibly over-optimistic, it may be necessary for Government to curtail its expenditure, and it will do so without reference to this House as it did last year. Now, if Government had not pursued that policy this year, I might have hesitated to accuse it of the intention of doing so next year. I consider that that is an entirely improper thing for Government to do and to foreshadow, as it does in this paragraph of the Report. It is definitely stated—Government has definitely stated to the House in these Estimates that we may confidently rely upon a revenue of £r, and we therefore ask the approval of this House for the expenditure of that money in the manner stated in the Report. In doing that it has asked the approval of the House to the carrying out of certain work, and it is in effect giving a pledge to the House that that work will be carried out, because we can confidently anticipate that the money will be there to carry it out. I object to the inclusion of that paragraph in the Report; I register my protest in advance against a pursuance next year of the policy carried out this year of departing from the Estimates as approved by this House.

Your Excellency, the very able mover of this motion has, in my opinion, after reading the speech this morning in the paper, made out a very nice case for Government. He has

certainly made the most of his case; he could confidently have been relied upon to do that, and he has justified the confidence reposed in him; but on closer examination—whichever closer examination may possibly not be given by the general public, but which closer examination has of necessity to be given by Members on this side—of his speech, it very largely consists of promises to do things in the future that Government has refused to do during the past few weeks in the Estimates Committee, and without intending to be in the slightest way insulting to anybody personally, but with the full intention of being grossly insulting to Government impersonally, I say this: that I attach no importance whatever to these promises made on behalf of Government, that I have lost faith in Government's promises, that I regard its promises as contrary to Government's policy as shown in its actions. These promises have merely been made to placate public opinion; they are merely part of the arts of bureaucracy, intended, if possible, to deceive Members on this side of the House as well as to deceive the general public. I judge Government by its actions during the past twelve months, and I have definitely made up my mind that the policy being pursued by Government to-day, a policy to which the Estimates for next year have been subordinated, is the policy that bureaucracy alone shall rule in this country, and Members on this side of the House will not participate in the government of the country in the future, in the immediate future, as they have done in the past, and that the invitations for the co-operation of Members on this side of the House in finding a solution of our problems are insincere, that when that co-operation was freely offered it was not accepted, and I at any rate refuse to regard those promises as sincere and I refuse to accept any further invitations until I see a definite change in the policy of the Government of this country towards the representatives of the taxpayer.

I consider it very largely because the co-operation of Members on this side of the House has been declined that these Estimates are a complete failure to meet the needs of this difficult situation in which this country finds itself to-day. These proposals have completely destroyed my confidence in Government. I believe that they will shake the confidence of the country in the Government in its desire to deal with the situation as it should be dealt with, and in its ability to deal with that situation as it should be dealt with; and I regard it as my duty, not only to my constituents, but to the country at large, to oppose the adoption of this Report, and to oppose the adoption of the Estimates which are recommended by it.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I should like to start my remarks in this debate where I find the passage in the Select Committee's Report on page 33:

"In signing this Report as a true record of the proceedings of the Select Committee, Elected Members wish to emphasize the fact that they are not yet satisfied that Government realises the gravity of the financial situation, and they do not consider that the steps proposed to be taken are adequate in view of the following facts:

The "following facts" can be read by hon. Members opposite at their leisure.

That is a qualifying statement and it has justified a logical, concise and precise reasoning to follow on. Consequently I do not feel bound in any way whatever to vote for this Report as I see no intention, as far as I am able to judge, on Government's part to implement anything but what either pleases them or what the Official Members agreed as against the proposals which were put up by Elected Members.

Your Excellency will remember when the Budget was brought in early on in the year a deficit of £110,000 was anticipated to accrue at the end of 1931. By August it was realized that the situation was not as well as it might be. At the last Council when the Budget was brought in, I think every Elected Member without exception expressed his opinion that Government was far too optimistic and that those figures, the Budget figures, would not be realized. That unfortunately is quite true. It is estimated now that the shortfall by the end of this year will be something in the region of £200,000.

The other pertinent figure, as I mentioned on a previous occasion, was the estimate by Government of £63,000 surplus by the end of 1932. A large amount of that money can be accounted for in the Customs Revenue. Taking the figure of £866,000 odd of estimated revenue from Customs, that shows a surplus of £57,000 odd over and above the average of the previous year. That again was stated by me and by Elected Members to be a very optimistic figure and we could not, from our experience of commerce in the country, visualize any such figure accruing to the revenue of the country. That view has since been proved correct. The hon. the Commissioner of Customs very reluctantly has agreed to a reduction of revenue of £116,000 (otherwise to £750,000 and not £866,000). Again, hon. Members on this side of the House have shown that they are more in touch with realities than with the theoretical view that is held by poring over the figures at the Coast and not coming into contact with the realities up-country. It is unfortunately the duty of Government to carry out their idea of the fitness of things by imposing excise duties. These

duties are going to fall heavily, not necessarily on the community as a whole, but on individuals. In some cases they will fall on commerce and in very few instances only will they be passed on to the general public. That is a form of taxation which I think cannot be defended. If it is necessary to raise money, then it should be raised on the general public as far as possible and it should be raised also from those who can best afford to pay.

A good deal has been said about the loan funds of £266,000 odd. Personally I am not satisfied that the contention I put up to Select Committee has been shaken by any argument or explanation put up by Government that that money is intact. A shortfall of £110,000, now increased to £200,000 at the end of this year, with surplus balances depleted—it would be interesting to know how the position has been met. Is it cash that the country is living on to-day? It is said in general terms that the cash circulating throughout the Colony, etc., has some reflection on it, but the outstanding fact to my mind is that there is no money available except those balances, and I cannot agree that they have not been to some considerable extent used up.

I think it is unfortunate that this Colony—that the home country should be facing at this moment probably the most serious economic and financial situation that it has had to face throughout its history. It has had its reflection here. I understand that instructions were sent out that we have got to balance the Budget and that no assistance could be expected from the Imperial authorities. That for a Crown Colony put the Government undoubtedly into a very difficult position and it no doubt compelled them to suspend the expenditure of loan funds as that was the only nest egg that could be counted against future eventualities. Elected Members who have come to be associated with this matter have given very clearly an expression of opinion that those monies should be restored at the earliest possible date and used for the purpose for which they were originally voted.

A very large question, Your Excellency, and one which exercised the minds of the Select Committee, more especially the Elected Members, was the question of education, free education, up to the primary class. I think it will be admitted by those who have studied the question that the greater the economic pressure the greater will be the need for free education for European children up to a primary standard. A good deal of time was spent on that matter and we had the valuable assistance of the Acting Director of Education, who was very helpful but who had reluctantly to postpone the matter until 1933; and we have recommended that it should be implemented in 1933. I hope this is a situation, when the finances improve

and the depression lifts, that Government will remember. It was only postponed by the Elected Members on this side on account of the gravest difficulty which we found in balancing the Budget. I think it must be realized, in a Colony where we have the triangular influence that we have in Kenya, the Asians, Natives and Europeans, that it is definitely essential to keep the standard of European education high. I think it is to be very much regretted that there is a "poor white" class being brought up for the want of educational and educational facilities.

The Commissioner of Customs made a point, I understood, that to a great extent his budget had been affected by the locusts. Now, Your Excellency, I cannot accept that statement. The damage was done by the locusts in this Colony before the Budget was presented to this Council. What little damage has been done since has been principally to grass land and there has been no or very little damage to cereals at all. It is true that a certain amount of wheat damage has been done in the Burnt Forest area, but the figure could not affect the Customs Revenue at all.

In connexion with the same subject, Your Excellency, the subject of locusts, it will be noticed from the Select Committee's Report that the Elected Members, one supposes, had asked for £60,000 to be set aside to meet the locust menace. That has been, we are told, done to a very small extent, to the extent of £5,000. Government has been asked, and I understand has given an assurance; that if further monies are required they will be voted, but they have failed to appreciate the value of any such assurance in view of our financial situation. They will have to increase very quickly and very considerably if Government finds the necessity and has the will to take a vote of £50,000 for locust destruction. On a previous occasion—I think I am right in saying in 1928 and 1929—the locust invasion cost this Colony some £80,000 or £90,000. If they were fought on the same basis it would cost that money again. It is quite impossible for me to visualize how Government are going to implement any serious promise or undertaking to fight locusts in this Colony under the present circumstances.

It must be obvious, Sir, that Government are still in a very difficult position with regard to their Budget.

Elected Members have also asked for an enquiry into the accountability of the branch lines. I think it is an urgent matter and it is an advisable matter. It is a matter even that got beyond the seas and has been commented upon by the Joint Select Committee at home, as I quoted when I last spoke in this House. I trust that an enquiry will be held and that

even if the present accountancy system cannot be altered the true figures as regards each branch line will be submitted annually apart from the joint figures between branch lines and main lines.

I further fail to see how Government can anticipate the surplus they are budgetting for in view of the fact that it is only during these last few days further taxation has been indicated and it is impossible, I suggest, Your Excellency, in a broad sense, to eliminate the Railway finances or actions by the Railway Inter-Colonial Council from our Budget position for 1932. I may be permitted just to say this, that the increase to Sh. 15 per ton on export maize, which I understand is predicted, means an increase of Sh. 3/80 per ton on the main line and Sh. 4/05 on the branch lines. I suggest, Your Excellency, that that extra money which is going to be paid by the maize producers to the Railway will be money that would probably be spent on imports and would consequently be reflected on Customs; it will also reflect on the up-rail traffic which will be depleted by that amount, if not more. Maize growers have now for two years been going through a very strenuous time. Conditions have been against them through no fault of their own, and at the very time when the economic situation as far as they are concerned is as bad as it can possibly be a further burden is going to be put upon their shoulders. I predict here and now that it is a burden they will not be able to carry. They will have further difficulties put upon them—that is the rationing of trucks that was predicted by the hon. the General Manager. That something on that line should not take place, I will not say, but if trucks are to be rationed between Kenya and Uganda, between cotton and maize, and the delivery of maize spread over the best part of a twelve month instead of its being got away within six months, the situation again is going to be a very serious one. It means imposing upon the maize producer a very serious handicap. It has got to be realized that the highest price for the commodity is in the late period of the year and the early period of the year—that is, December, January, February and March. The world's record on the Liverpool corn exchange would show, if it were studied, that it is during these periods that the maize market is at its highest, consequently it will follow on the rationing system, especially if it is an arbitrary one, that the maize producer will not be able to sell forward in any great quantity—in any case, the selling forward through their co-operative societies will be limited to the amount of the ration of trucks that they will get. They will not be free agents. I know, Your Excellency, there are two sides to all questions but I just put up the broad issue as I see it.

There is also a subject that I might say a few words on and that is the peak period.—We know in the past that it has been worked adversely against the Railway but I am not convinced in my own mind that the Railway to a great extent has not been responsible. It was suggested that it might be got over to an extent by advocating a reduction of the reconditioning charges at Mombasa. I know that in the off-season reductions are made, but when I spoke on that subject what I meant was that the cost of reconditioning in the late part of the year should be absolutely cut down to cost price as far as the reconditioning is concerned. It would also mean a good deal of propaganda. Although reductions have been in existence for some time, this fact is not known or appreciated by everybody, especially the producers. I suggest that the hon. the Director of Agriculture could help considerably, and the Kenya Farmers' Association could help in this matter; they could help Government and help themselves if they would advocate the earliest possible planting of maize, and shifting the bulk of our maize when cotton is off the Railway in the early part of the year—that is late 1931 and early 1932. It would prevent the peak. There is nothing doing at Mombasa at the reconditioning plant; the trucks are available, and the market is at its best. I would also suggest that the Kenya Farmers' Association might consider altering the yearly pool.

HIS EXCELLENCY: Is not the hon. Member rather getting off the subject of the motion? I do not know to what particular reference in the Report he is speaking.

LT.-COL. THE HON. J. G. KIRKWOOD: I apologize, Your Excellency, I realize there are situations functioning in this Colony which are not realized by this Council. I regret I strayed from the subject.

There is one item that has loomed large before this Council and that is the cut in the Civil Service emoluments. I should like to point out to Your Excellency that as a member of the Select Committee, in its early stages, during the first two or three days, I asked that every member of that Committee could be supplied with what I understand is known as the Colonial Office Terms of Service. My object in doing that was to make myself acquainted with the terms of service so that I could adequately criticise and recommend on any point in the discussion while on that Committee. Notwithstanding that I got a satisfactory answer, notwithstanding that I made several requests and reminders afterwards, those terms of service have never been supplied to the Select Committee of the Legislative Council which sat on this Budget, and if I make mistakes through that state of affairs the responsibility must be placed upon Government. First and foremost allow

me to say that I think I agree with the hon. Member for Plateau South, that like him I do not like this method of raising funds. I have very many objections and it could have been got over had Government accepted the recommendations of Elected Members early on in this year for an economic and finance committee. It also could have been got over had the Terms of Service Committee sat earlier and had Government seen their way to accept that Report. I look upon it as panicly legislation, legislation that Government has adopted for reasons of their own, and I must be forgiven if I come to the conclusion that Government have no intention of altering the terms of service, have no intention of setting up an impartial and adequate committee to go into the whole subject and report to Government for consideration and action. In the implication of the legislation on this matter (that is, the cut) as far as it affects district councils, I maintain, Your Excellency, that district councils were not appointed, they were not recruited and not appointed, on an administrative basis, they are not serving on the same terms and conditions as the administrative officers and servants of Government, and to impose a cut on them on the same basis. I suggest, Your Excellency, is not a creditable method of approaching the subject. They do not get the same pay, they do not get the overseas leave, they are not on pensions. How can you fairly and honestly ask them to contribute the same as the administrative officers of the central Government? I know that it is thought by the Government officials that all the Elected Members are only too pleased to see their salaries cut, but I hope I have made it clear, as far as I am concerned, I can honestly and conscientiously say I think it is the most objectionable form of raising revenue and it should have been the last method adopted. The necessity would never have arisen had Government appointed a committee in the manner I have suggested. It is also probably thought that a great sacrifice has been made by the Service, but I do not think the 5 per cent on up to £1,000 and the 7½ per cent on over £1,000 is going to affect the Service because, after all, the Service must realize that they are in a sheltered position. They have Government behind them to guarantee their pay. If you take the individual, if you take the producer, if you take the commercial man, it is not a question of a 5 per cent cut. I am perfectly certain when I say that the turnover of 90 odd per cent of the commercial people in this Colony has dropped 50 per cent and that their profits have been cut 100 per cent. With regard to the producer, he has been cut a good deal more, possibly cut more than the Committee thought. He is living on his capital. Maize and sisal can only be marketed at a loss. It is true coffee is holding its own, but a great number of the producers are cereal

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growers who are either just creeping through or making a loss. I hope the Service will realize that there are others in the Colony who are making sacrifices as well as they.

Your Excellency, I am pleased to regard the promise to set up an investigation with a view to the probable introduction of legislation for long-term credits against the time when our finances will enable us to do something on those lines. I think it is most advisable that that enquiry should be set up and I hope the Agricultural Board will be reconstituted and that the matter will be handed over to them. Government is aware that the Fencing and Dipping Ordinances are very important Ordinances to the small producers of the Colony, especially in the maize areas, where a great deal of thought and attention has been given to changing their method of farming from a one-crop to mixed farming, but I can assure Your Excellency it is a practical impossibility to turn over in the Trans Nzoia, Plateau North and South and a great deal of the Nakuru area to mixed farming without provision being made for fencing and dipping and the necessary finance. With all the good will in the world it is impossible for the farmer to turn over to mixed farming without some financial scheme instituted by Government to assist him, and the sooner that is realized the better because it is very difficult for these men, who are willing to help themselves but are not in a position to do so.

We have recommended also the reorganization of the Secretariat. I am afraid the recommendations put up by Elected Members of the sub-committee of the Select Committee on the Budget were not given the consideration that they should have been. The recommendations showed, according to their report, that there would be an £9,000 saving on the Secretariat and £4,000 saving on the Provincial Commissioners' vote. That is only one of a long list of recommendations and constructive suggestions put to Government whereby money could be saved, not only immediately but in the future. We have put up a suggestion, Your Excellency, with reference to the King's African Rifles and the Police, and when the Acting Commissioner of Police was asked whether he could police the Northern Frontier he said he was already doing so. The King's African Rifles already have a post at Wajir. The suggestion generally was that a combined force of police and military on the lines of Southern Rhodesia—Northern Rhodesia—would show a tremendous saving to this Colony. I submit that the King's African Rifles vote is a very heavy burden on the Colony. It is a burden which is inflicted principally on the European taxpayer for the benefit of the natives living in the northern territories. I understand that it is insisted upon by the Imperial Government, but I would

go as far as to say definitely that it could, with advantage to this Colony, be reorganized on the lines suggested by Elected Members. There is no reason that I know of from the local point of view or from the military point of view why those recommendations could not be accepted on general lines and the Defence Force be brought into the picture as the shock troops for this area.

We had a great deal of controversy, Your Excellency, with reference to the reorganization of the Public Works Department, and I regret to say that it is my honest and conscientious opinion that we met with nothing but obstruction from start to finish. Had the hon. the Director of Public Works been out to assist he could have done so. His tactics were, in my opinion, obstructive in every possible way, and I was astounded to find that the hon. the Commissioner for Local Government was also following the same line. One would have expected the hon. Commissioner for Local Government to back up his part of the Service—not irrespective of right or wrong—but one would expect, when the proposition was put up and honestly and sincerely accepted by the Eldoret Division, and eventually by the Nakuru Division, that he would have done everything possible to have got an impartial and thorough inquiry. We have not succeeded, Your Excellency, in advancing that side. It is a question where we believe there are big savings to be made, and I put it to this House, is it right, after having appointed district councils in those areas, after having appointed the local government authority at the Secretariat, that we find the Public Works Department back on the same basis that they were before? There have been reductions, but the reductions have been insignificant, and I maintain that the district councils in the Eldoret Division are capable of doing the greater part of the work which is now being done by the Public Works Department, and where there would not be a saving to the Public Works Department it would be a saving to Government and the district councils in keeping down their overheads. I do hope this matter will be taken further, and that a committee will be appointed, and I hope that this time Government will see fit to appoint technical unofficial members on that committee, such as Sir Aubrey Graham, and other highly qualified engineers in this Colony.

I would point out, too, Sir, speaking of the Public Works Department, the amount of money which is spent on certain roads in my own area—£400 per mile earth roads, plus overheads possibly at £100 per mile. Anyhow, they cost somewhere below £500 a mile, as is known by the hon. Director of Public Works. I say that is wasteful extravagance, and I cannot possibly realize how that amount of money ever

went into roads of that type. And what is the situation when you get to the end of those roads? They only run for 15 or 16 miles—no, for 11 or 12 miles. The district council has got to carry on with a total expenditure of £30 a mile. The whole thing is farcical and ludicrous.

A proposal of the hon. Postmaster General for raising revenue was turned down also, and that was a proposal for the bringing in of air mail stamps. I think it was suggested that they might bring in a revenue of £1,000, less a certain amount of initial expense the first year. In any case, it meant revenue. It is purely, I suggest, a parochial matter—a purely Kenya matter as far as politics is concerned—but I understand it was declined by the Secretary of State. I agree with a previous speaker when he says he does not understand that type of action.

We also suggested savings on the site of the London office. I think I might spend a few moments on that subject, Your Excellency. It was hoped that at the end of the lease, which I understand expires some time at the end of December next, that Government might be induced to fall into line with the views put forward by Elected Members. I did inquire of that committee with regard to the instructions, the initial instructions, on which that office was worked. I am sorry to say the gentleman who should have been in a position to have given that information could not give it. It was eventually supplied, as a matter of fact, the day after he had left. The function of the London office, apart from trade, appeared to be as originally laid down, to encourage settlement. I would ask if the fact that the head of the London office spending six months in Eastern Africa out of twelve could help in any way to encourage settlement? I would certainly say, "No." To encourage investment of new capital, again I should say "No." To consolidate and exploit markets for local produce, again I should say "No." To attract tourist traffic, again I should say the answer is "No." We came to the conclusion that it was a waste of time his being out here, and I would go further and say that if these instructions were carried out by the London office we should be in a different position in this Colony to-day. There is no propaganda from the London office.

There is no encouragement to settle. I do not know of any method in which they induce new capital to come in here, and the sooner very serious consideration is given to that organization the better. The Elected Members also put up a suggested settlement scheme. I had hoped, and I think Elected Members had hoped, Your Excellency, to have had an interview with you on that subject. It is still in the air.

**HIS EXCELLENCY:** Is not this rather getting off the Budget debate? I would ask the hon. Member to confine himself to the Report of this Select Committee.

**LT.-COL. THE HON. J. G. KIRKWOOD:** Your Excellency, in conclusion, I should like to ask Government to state definitely what the policy, the future policy, of this Government is, and to take the country into Government's confidence to that extent. I should also like to be definitely assured that at the earliest possible moment the surplus balances of this Colony, which are now depleted, will be restored. There can be no question in the minds of anybody that we have been living beyond our means and beyond our ability to pay. My hon. colleague the Member for Plateau South has put up some most interesting figures, and it will be rather intriguing to see the manner in which they are criticized by the hon. the Treasurer and the hon. the Acting Colonial Secretary; but I hope what criticism they put up will be constructive—that they will help the country. To my mind, while I agree with my hon. colleague the Member for Plateau South, that there is a great deal in what he has put up, I myself have not time to juggle with figures; I believe more in taking the practical experience that one gets, and that is that the Colony at the moment is bankrupt, the Railway is bankrupt, and it is quite obvious that we have been living beyond our means, and there are a great many factors which have led to that, which I have not the time nor the inclination to go into at the moment. I do hope some definite policy will be promulgated by Government, and that the country will be informed of what that policy is to be.

*The Council adjourned for the usual interval.*

*On resuming.*

**LT.-COL. THE HON. C. G. DURHAM:** Your Excellency, before I start to-day, I should like to know whether I was correct when I heard the hon. the Acting Colonial Secretary state that he had introduced the Minority Report on the Budget. I should like to know, Sir, whether that is customary in other countries, or whether it is simply an old Kenyan custom?

**THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.):** On a point of personal explanation, Sir, if I conveyed that impression I did so unwittingly. The Report is to a very large extent a unanimous Report. What I did say, Sir, was that the Estimates which would be presented to Council in the form of the Appropriation Bill, so far as the expenditure side was concerned, reflected the figures

in the official column at the end of the Report. The substantive motion itself is for the adoption of the Report with that proviso.

**LT.-COL. THE HON. C. G. DURHAM:** Your Excellency, what I have to say to-day is said more in sorrow than in anger, although I think we are entitled to be bitter at the position we find ourselves in, very largely due to the callous disregard of the Elected Members' recommendations on the part of Government—recommendations made so long ago as a year, Sir.

With other Members, I am going to oppose the Budget as presented by Government. Government has not, as far as one is aware, given any serious consideration to the recommendations put up; particularly I refer to such measures as the Police, the King's African Rifles, the economic committee, terms of service, and other matters such as these. Government is aware that Elected Members cannot agree with the Revenue Estimates as suggested by the hon. the Commissioner of Customs, and they are of opinion that they will not reach any more than £675,000 at the best. If they do, so much the better for the country. We shall not say, "Well, we told you so." We shall be only too happy if they are realized. Elected Members, however, feel that they would be failing in their duty to the country if they accepted the figures given by Government now as correct. I have come to the conclusion, Sir, that Government, in framing its Budget, has simply instructed the heads of the revenue-earning departments to put in figures as they would in normal times. Rents of farms: If Government was in real touch and sympathy with the settlers of this country, Sir, it could not possibly suggest collection of the amounts set down, because they must know they cannot be paid. It is high time that the blinkers were removed from the Government horse, Sir, so that it might get a chance of seeing the creatures of akin and bone-trying to pull alongside it. Government anticipates a surplus of £50,000. I have always been an optimist, but if we have any surplus at all I shall be very pleasantly surprised. I do not agree with the tax imposed on local commodities. The industries concerned are hardly on their feet, and a setback now may have a very serious effect. I particularly refer to the tea industry, which is going through a very bad time, owing to the dumping now being allowed. I know the Commissioner of Customs will tell us that it is not dumping, but I disagree; it is nothing else. The total amount gained by this proposed excise tax, Sir, is so comparatively small that Government might well have left it out. However, I suppose, like a starved cat, Government would even welcome the proverbial church mouse as a handsome morsel.

I should like to refer to the European Widows' and Orphans' Fund. Sir, I notice that Government will receive contributions to the extent of £25,000 to this Fund. This, at the end of 1932, will bring the sum to no less an amount than £208,000 contributed by the servants of the Government. Say, less a sum of £10,000 as being refunded—a net amount of £198,000, or roughly £200,000. I should like to ask a few questions on that particular subject. What use of the money questions on that particular subject? How is the money guaranteed? Is made by the Government? How is the money guaranteed? I notice that the Asiatic Widows' and Orphans' Fund is put down as a liability. I may be dense, but I can find no trace of the other Fund being treated in a like manner. What interest is credited to the Fund? If not, why not? Could this sum be invested outside this Government for the benefit of its servants? If the country has had the use of this amount of money without interest, then I state deliberately that Government has been unfair to its servants.

As in other things, do the Crown Agents get a "rake-off" in this matter as in most other matters where Government is concerned, and have its servants any control over the money at all?

Whilst on the Civil Service contribution, Your Excellency, if we bear in mind that the majority of the Civil Servants here to-day were serving at a time when an increase of 20 per cent was made on their salaries, I do not think the present levy will be any very great hardship on them. At the same time, I have a great deal of sympathy with the servants who came out quite lately, because the Government might have told them what was anticipated, and then they might have come or might not, and had a certain amount of consideration from Government.

The proposed tax on professions in this country, Sir: We are all apt to say that the lawyer is the one man who ought to pay. Is it Government's intention to tax each individual in a firm so much per annum. The suggested sum is £25. I submit, Sir, that would be hardly fair. It is not a levy which will only last a year; it is a sum they will have to pay.

HIS EXCELLENCY: Would it not be better if the hon. Member brought that up when the Bill comes before the House in a day or two?

LT.-COL. THE HON. C. G. DURHAM: Like all other Members on this side of the House, I am opposed to any further general taxation until the Government really gets down to the further reduction of its expenditure, in spite of the

fact that it may have to pocket its pride and accept certain suggestions which have been put up from this side of the House.

Elected Members have put up what they consider reasonable proposals to Government, which has had ample time to consider many of them.

Terms of service, Sir: If Government will accept and act on the recommendations of the Committee a very large saving indeed will be made. I realize, however, that it can only be made gradually, as if full effect was given immediately to leave conditions it would mean that Government could not find work or housing for its servants. There are many suggestions in the Report, however, that might be carried out immediately with benefit.

King's African Rifles and Police: Under this head I trust Government will accept the recommendations of the Committee. There can be no doubt that the time has now arrived when Government must reconsider its position in this regard. I look forward to the time when both these forces will be officered by young men born in this country, with possibly the headquarters staff drawn from the Imperial Service. To my mind there is no reason to-day why we should not have a combined military and police service. The saving to the country would be large, and a great asset to the country would be that officers recruited here would make it their life work, and not a tour of two-and-a-half to five years. I am confident that there are sons of officials and settlers now growing up who would make ideal officers for such a force as ours. The contribution of headquarters, quartermaster's department, paymasters, training depot, can have one effect only and that is a reduction of expenditure. When we compare our military and police expenditure with that of Northern Rhodesia, one can only be struck by our extravagance.

Public Works Department: Your Excellency, this unfortunate animal has been so much flogged that one can scarce find a tender spot. So many months have gone by since we asked for the Committee's report to be published that many have forgotten that there was one—probably also a pious hope on the part of Government. But even at this late hour we hope Government will see the error of its ways and enlighten the public. To my mind, either Government is unfair to its officials or to the Committee which itself appointed, and it cannot escape that charge of unfairness to one or the other. I trust the publication will be made without delay.

Your Excellency, the Elected Members have put up suggestions which may be very far reaching, and I think there can be little doubt that it would be for the good of the country if



the Public Works Department could be cut down to the skeleton form of a supervising staff, with all work put out to contract. There can be no doubt that we are throwing away money to-day on loan staff owing to the curtailment of the building programmes.

Whilst on the question of buildings, Your Excellency, in my personal view the hold-up of the erection of the Law Courts, in view of the amount of money already spent thereon, is a grave mistake, and I consider that Government is entirely to blame in the matter. The present court house and magistrates' courts are a standing disgrace to a third-rate *dorp*, and no official working in those offices can possibly give of his best, try he never so hard. As we have heard, Government is arranging to take over a portion of the Railway Offices to house a department. Your Excellency, I am not going to congratulate Government; rather will I condemn it for not having done this many months ago, because it was obvious that it was one of the most natural things to do.

Your Excellency, to refer to all matters that might be considered by Government whereby it could reduce its expenditure would take weeks, and I have no intention of boring the House any longer.

I would make one appeal to Your Excellency and the Government: Take the settler into your confidence, give him credit for what he has done and is doing, enter into the heart-breaking conditions under which he is working to-day; if you do not, the blame for the failure of this Colony to pull through will rest upon your shoulders and those of your colleagues. The average settler to-day is hard pressed indeed, and Government if it will make its every effort can make this country a contented and happy one by helping it towards the prosperity it so richly deserves.

Your Excellency, I commend my remarks to your serious consideration.

CAPT. THE HON. H. F. WARD: Your Excellency, may I make a short personal explanation? The hon. the Commissioner of Customs, in his speech this morning, stated that we on this side of the House had accepted the Railway Estimates on the basis of the Port tonnage. I wish emphatically to deny that, Sir, and to state that as far as I am concerned that Budget was accepted on the broadest possible lines of policy, as the best the Railway could do in the conditions at the present time and because the General Manager visualizes possible increases in expenditure and falls in revenue, and because he indicated the steps which would have to be taken if either of those contingencies happened.

THE HON. F. A. BRISTON: Your Excellency, there are two annual debates held in this House which absorb careful and concentrated thought in a very particular degree: They are the Railway Estimates; in which it must be admitted the discussions are carried on in a careful and courteous and English manner, and the Government Estimates.

I would like to congratulate the hon. and learned mover of the motion on his seizing the opportunity of working off one of his carefully prepared impromptus in connexion with the Member for Mombasa. Your Excellency, I have never set up as a saviour of the Colony, but I do contend, Sir, that to the best of my ability, I have submitted proposals which, a long time afterwards it is true, have been definitely accepted by Government. Within a few days you will be discussing the introduction of taxation of insurance companies, which I proposed two years ago, and which was laughed out of court. Still, two years is not long in the lifetime of the Government, and it is awfully nice to think that within twenty-four months, which is really the average term of service of some gentlemen, the ideas put forward do gradually sink in.

Now, Sir, much has been said as to why I did not attend the meetings of the Select Committee. In fact, Sir, I do know—it has been reported to me—that an hon. Member of this House has interviewed the editor of the paper published in my constituency and has made several suggestions as to my desertion. I have explained it to my constituency, and now I will try and explain it to you, Sir. I did not attend the discussions of the Select Committee for the simple reason that I believed it was being held on the wrong grounds. I have a peculiar idea, Sir, that the taxpayers and the man in the street are not so interested in how money is raised, and how money is spent—but why. That is the question that they want to know, and many times one sees and hears the remark made when a new proposal is put forward: "Well, it was done in England. The British Parliament has done it." But, Sir, the one thing the British Parliament did do before they introduced any reforms in their financial budget was to have a separate committee of outside-world people—no politicians on it—who went into the question of why is the money raised and why is it spent. What did they find? They found that extravagance was here and extravagance was there, and their concrete proposals caused the biggest upheaval that Parliament has ever realized, and to-day they have the backing of the largest majority ever known for the benefit of the national exchequer. And that is why, Sir, I strongly oppose—what I term my personal view—nothing against anyone else—the waste of time of outside men discussing how the money

is to be spent, how it is to be raised, when they do not know the reason or the intentions of Government. As a matter of fact, Sir, I was at two sittings, and one of them was intensely interesting. It was on the question of education; that was really why I came up. People may query why I am so interested in education, and I will frankly admit, Sir, it is because I have not had any, and therefore I reckon I am the best judge as to the advantages of education.

And at this meeting of the Committee, when the Acting Director of Education was sitting in the chair, when his figures were going to be checked, when his Estimates were going to be queried, I was the only in the room who had his Annual Report—I do not think he had one himself. That is not the way to handle an inquiry. If you are going to examine figures you must have facts before you; and what were the facts that I elicited? First of all, I asked the Acting Director, Did he say that the figures in the Education Report on pages 100 and 110 were correct? So you see, before I went into the cross-examination, I got the Acting Director to say, "Yes, I certify them; they are correct." And what do we discover? We discover, Sir, that 2,479 Arab and African scholars educated in Government schools cost the Government, without buildings and without administration expenses, £50,000; but with the assistance of the auxiliary forces in the Colony 83,000 children are educated for £30,000. On asking the Acting Director of Education what the relative value of this was, he worked it down that there were practically only 600 or 700 out of the 83,000 who could compare favourably with the 2,479. Now, Sir, I have a little experience in obtaining employees from Government schools. As a matter of fact, the very best clerk that I have and the very best clerk I have ever known was handed over to me from the Arab school as the fool of the school—they could not teach him anything. I have since shown letters from that boy to the Director—not the Acting Director—of Education, and he is, to put it mildly, quite surprised. As a matter of fact, he did not think it was true. The other day I wanted a clerk for the Wakf Commission, and I sent over to the school to see if they had a suitable boy who could look after the accounts of the Wakf Commission, and though they knew nothing that was of any use, they did admit that they knew geometry. I contend, Sir, you have here an example of the waste of public money, and if you were to examine the internal working of the Departments you would be able to use the auxiliary forces who are only too willing in the Colony to help you, anxious all the time, with men and women in their employ with definite vocations, who do not look out for the thirtieth month, hoping it is February, so that there is a day less, to get their home leave; you have people who are devoted in the profession and who

are willing to help on the Africans in this country. Now, Sir, the education in this Colony, we all know, calls for the very highest and best. In fact, that has been proved in the item some years ago when a Director of Education, and an Assistant Director of Education and a Chief Technical Director of Education—or some name like that—when these vacancies occurred the whole of the British Colonial Empire Employment Bureau failed; they could not find one man on the whole of their staff to fill those positions—they had to go and drag charming gentlemen out of their well-earned rest, who had served the British Government for many years and who had received the standard of education in this Colony, to come to raise Sir? The first policy that was established was on a Dar es Salaam conference, the majority of whom were, I believe, South Africans, and they decided that Kiswahili was the language of the Colony, and should be the language of the Colony, notwithstanding the fact, Sir, that the people who speak Kiswahili, who were born in it, who breathe it all the time, deny that it is of any use to them; and are craving to learn English. Here we have one of the funniest contradictions one could ever think about, and the suggestion is that you will not bring in English because it is going to cost such a lot. Well, Sir, I am beginning to think that that is a very foolish proposition. There are 15,000 people in this Colony at least who do speak English, and there are thousands more who know English, and I can tell you, Sir, that the African picks up English like a monkey picks up nuts. There is no question about it—he is craving for it. It would help your administration; it would help the whole work of this Colony if you would only bow to the resolution of the joint conference, where those people 6,000 miles away—I admit, who know nothing about this country—but who coolly and calmly did recognize that English must be in the end the lingua franca of this Colony.

Now, Sir, to get to those golden rabbits which, to tell you the truth, I was rather hurt about, because a rabbit runs away, and I have never run away from anything. I prefer to call my suggestions "silver bullets," and, if possible, Sir, bullets to kill this awful depression of the present time. I contend, Sir, that the work of some of your departments—and I am going to mention one or two—definitely prevents money, enterprise and interest coming to this Colony. I am going to quote two items in connexion with the Local Government Board—the Local Government, Lands and Settlement Department—I get muddled because people call it the Land and Settlement Department. In Mombasa there is a hotel site, one of perhaps the finest on the east coast of Africa, and it is definitely laid out in the town-planning scheme for a

hotel; nothing else can be built on it. There is at the present moment a *banda* on it, but the local authority was approached with a proposal—I am sure my facts are right, Sir, because it was a man named Bemister who put it up and who told me everything about it. A tender was put in to erect a building for £35,000, and was passed by the local authority—people who know the place, know the conditions, know everything about it. That suggestion came to Nairobi, where they know very little about Mombasa, and instead of the offer being accepted the ante was raised to £50,000. My friend and I thought that we could not afford to risk such a lot of money, but later on came a gentleman of the name of Major Ewart S. Grogan—a very well known man—and he said he would accept the thing at £50,000. Immediately, Sir, the ante was raised to £85,000—not by Mombasa; don't you believe it—Mombasa knows just what it wants, and sometimes she will get it. To-day, that five acres of land is still fallow—it has not even got a coral quarry on it. There is a little bit of a *banda* and the water is laid on; on this the local authority gets Sh. 72 a year for water, or something of that sort, whereas you could have been receiving a very handsome rent. Money would have been spent in your Colony, and the amenities of Mombasa would have been heavily improved.

Now, I come to another one. A gentleman of the name—he is dead—the late Hon. Denys Finch-Hatton, interested his friends and relations in a project covering 100,000 acres of what is known as the Seregetti Plains, the tests for which showed that, given water, there were the same facilities and the same advantages as in the sheep-rearing district in South Africa, which I think is called the Karro—I am not sure about that. His intention was, as he told me the full details two days before his sad death—I think he told me the truth—his intention was to bore for water over this district, and if his investigations proved successful he was going to put up to 150,000 sheep on that area. Now, Sir, that area is between Mombasa and Nairobi, where you have 300 miles dead haul. It would have been a great industry for the meat, for the wool, for the men, for all the supplies for such a great organization. And two days before he died he told me that he was so fed up with the actions of the Government, or lack of action, that he had thrown it up, or was willing to throw it up. I spoke to his executor last week, and I find that the last £18,000—which is 3½ lakhs of shillings—was remitted out of this country a week ago to-day, back from this country to the promoters and shareholders, because they could not invest it in the Colony.

I am sorry to be so long, Sir.

Now, Sir, the Department of Agriculture has been recognized by practically every other speaker as the most important in the whole of the Colony. If so, Sir, I approach it with great diffidence. I want to ask why it is that the Coast does not receive a little of its attentions. We have never asked for fencing or dipping; we have never asked for money; all we have asked for is advice and assistance in a technical manner. Do you know, Sir, that within the last month a ship left Kilindini Harbour and called in at a port called Merka, 580 miles north of Mombasa, and shipped 1,000 tons of bananas. Bananas are indigenous at the coast. Has there been any encouragement there for the proper type of seed, for the proper education of the natives in that great industry? Has there been any encouragement in cassava? Look at the Dutch Indies, how they grow their cassava; look at the shipments they handle; yet if you get the beastly stuff in the ground you can never get it out in Mombasa. On the Coast have we ever had any help from the Agricultural Department?

I remember a few years ago, Sir, there used to be an experimental farm at Mazeras, from which we used to buy most delightful pineapples—and if you were pally with the man you got them mighty cheap too—but for some reason or other that little educational centre was done away with. I do not know why. There must be a very good reason—all the intellect is admitted to be in the Agricultural Department, so there must be some reason. All I want to ask is: "Will you give us some little assistance?" However, I am speaking now entirely for African production. I know quite well that people laugh at me, because they say, "You are always talking about the African—you are always talking about the native; you consider him your brother." Yes, Sir, I am not ashamed of it—but my younger brother, and he will be under the same guidance and discipline as I was when I was a younger brother.

The other day, Sir, we were mentioning about the tax on rice. I would like to know if the Agricultural Department have ever seen the Tana Delta? The Director nods and he says "Yes." Then I am sorry he has done nothing. Because I could not have believed that a responsible official of this Government could have seen the great possibilities of that Tana Delta, and ignored them for all this time. I am sorry, Sir, that he has seen it.

I am sure that if you were to investigate these matters that I have raised you would find many silver bullets. I believe you would find great economies. But, Sir, I have others, not new taxation; but I will endeavour to show you a way in which many people who evade taxation to-day would be made to pay their proper quota. A little time ago, if you remember,

I asked a question about the poll tax receipt, and I was told by the then Acting Colonial Secretary that it was private property, and that you could not take the poll tax receipt from a man when he has left the Colony. I know nothing about that—I know nothing about law. The suggestion I make to-day, Sir, is that instead of bringing in these funny things about motor-car licences and that kind of thing we have a system in this Colony of cards of identity. This suggestion will have very far-reaching effects. Again I am going to talk about the natives. The *kipande* system to-day has—wrongfully, I admit—come to be recognized as a mark of inferiority by the African race. We have in Mombasa a people who have Swahili fathers and Arab mothers. The Arabs are all right; they can carry on. But we have what we call the Afro-Asians, and they consider that it is a mark of inferiority—some of them are very rich men—to carry a *kipande*. Now, Sir, we English people, we don't think it an inferiority—we are rather proud of having a motor-car licence, which is actually just the same. If you would institute that card of identity, the young gentlemen who to-day pass on their poll tax receipts, as has been reported to you by the police, would be caught, because the police would have the right to go to every man and woman they liked and say, "Show me your card." If on that card was not marked a poll tax receipt you have got them. To-day the poll tax receipt is used by several members of different families of the same name, and it is estimated that at least £18,000 is lost to the revenue by these evasions. If you would introduce it—you have your machinery, there is no difficulty about it—if you would issue a card of identity to everyone, making it if you like an annual thing, you would then be bringing into the net of the police and to the assistance of the local district commissioners a revenue which to-day is due but not paid.

Now, Sir, further. Do you wish to adjourn, Sir?

HIS EXCELLENCY: No.

THE HON. F. A. BEMISTER: I have said that I was interested years ago in the insurance companies proposition, and I contend, Sir, that to-day your suggestion is an excellent one. No question about it. But, Sir, why is it that this Colony refuses to follow the example of Rhodesia, Natal, South Africa, Australia, New Zealand, India and a lot more, in asking deposits from the insurance companies as security for their liabilities? The tax in Northern Rhodesia is £20,000, in the Transvaal £25,000, in Australia £25,000—that is the maximum, and I am going to suggest, Sir, that when you consider the vast insurance value of this Colony, you have got to remember how land is moving, stock, motor cars, life, and all the

rest of it, and that insurance companies without any capital whatsoever can set up here, and should loss occur the insured gets the experience and the company gets the premiums—it would have the effect first of all of turning out of the country, uninsured companies. That is, first of all; but it would have this great advantage. I am only assuming 60 companies in the Colony, but £10,000 from each of them would give you £600,000. It is in your hands to say what that money is to be invested in, and I would suggest Kenya Loan. But at once people would say, "But you are paying interest on it." I quite agree; but you are paying no amortization; it is irredeemable. They cannot get it back unless they go out of business, and you would have to have an earthquake or something of that sort for Kenya to go out of business. So you have the use of that money for capital expenditure exactly in the same way as you borrow money on loan and pay it back according to the amortization terms of the loan. I leave that, Sir, for your consideration.

Now, Sir, I would like—but the time is late—I would like to have gone into the question of petrol, but I am afraid I am holding up the House. Shall I go on, Sir?

HIS EXCELLENCY: Yes.

THE HON. F. A. BEMISTER: I have made some very interesting inquiries, and let me tell you, Sir, that my figures are exact, and can be confirmed by documents in Government's possession.

The import price of petrol in 1930 (October) was 50.60 cents per gallon, and in October, 1931, it was 24.25 cents. There is a landing charge of Sh. 15 a ton, which works out at 3 cents a gallon—there are 500 gallons. I understand, to a ton. There is a duty of 30 cents and there is a consumption tax of 15 cents—a total cost of 72.35 cents. Call it 73 cents, Sir, a gallon. Now the lowest price given in a tender, of which I was one of the assessors—I know here I am telling you the truth—was Sh. 1/76 per gallon in Mombasa. Now I have been in business now for a little over forty years, and I am going to challenge anyone to tell me of any wholesale business in the world which gets 130 to 140 per cent direct from its factory on its wholesale product. They do not make it in the Bank of England in making sovereigns. Now, Sir, it is said that you cannot touch these people because they are so big, they are so powerful. That you cannot touch them because they are spending so much money in the Colony, because their every operation is so high, and lastly—which is evident—because they give such a lot of credit and make such a lot of bad debts. Really, Sir, those objections are puerile.

It really comes to this, that granting them 50 per cent on 6,600,000 gallons which were imported in 1930, granting them 50 per cent, the commercial community and the farmers, the Government, anybody doing work, were robbed of £150,000. That is a lot of money, Sir. It is a lot of money, and I contend, Sir, that if these figures are known—the worst of it is I am not reported in the paper—public opinion would control that the price would never be raised, and there is plenty of margin there, Sir, for you to get another 20 cents on your import duty. And I am telling you, Sir, that public opinion would stop entirely the raising of the price to the consumer. In other words, Sir, what I am getting at is that every one of my silver bullets is not being added to the burden of the taxpayer—it is being taken out of the pockets of those who are evading taxation; not taking money from the pockets of the people who are undefended. If Government will only give their attention to the suggestions which I have thrown out, another time I shall not be referred to as "taking golden rabbits out of a hat."

*Council adjourned till 10 a.m. on Wednesday,  
9th December, 1931.*

WEDNESDAY, 9th DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Wednesday, the 9th December, 1931; His EXCELLENCY THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.), presiding.

His Excellency opened the Council with prayer.

#### MINUTES.

The minutes of the meeting of the 8th December, 1931, were confirmed.

#### ORAL ANSWER TO QUESTION.

EXPORT OF CITRUS FRUITS AND CITRUS FRUIT PRODUCTS.

THE HON. T. J. O'SHEA asked:

Whether in the opinion of Government the country offers any immediate possibilities of an export trade in citrus fruits or citrus fruit products?

THE HON. THE DIRECTOR OF AGRICULTURE (MR. A. HOLM): This matter has engaged the attention of the Department of Agriculture for some years past. It is not considered that essential conditions are present for the establishment of an export trade in citrus fruits or citrus fruit products immediately.

THE HON. CONWAY HARVEY: Your Excellency, arising out of that answer, will the hon. Director investigate the possibility of securing markets on steamers calling at Mombasa not only for citrus fruit but also for avocado pears?

THE HON. THE DIRECTOR OF AGRICULTURE: I shall very gladly help those connected with the trade in obtaining that trade with ships that pass.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, on a point of order, may I be informed when I am going to get an answer to the question I asked last Friday? I have been asking this question for some time now but up to the present have failed to get any reply.

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.): Your Excellency, I received the papers only late last night. I can assure the hon. Member that the question will be in the Order Paper for to-morrow, when the answer will be given.

## MOTIONS.

## REPORT OF SELECT COMMITTEE ON DRAFT ESTIMATES FOR 1932.

THE HON. THE TREASURER (MR. H. H. RUSHTON) : Your Excellency, statements have been made in this Council and elsewhere in regard to the financial position of the Colony, and more particularly in regard to the cash position, of a nature which makes it necessary to place the matter beyond any doubt or question. It would be quite stupid of me, Sir, to attempt to hide or disguise the facts as the balance sheet is published monthly, certified by the Auditor, for all to read who care. I think the position as regards the Revenue Account is quite clearly understood. It is estimated that at the close of this year our surplus balances will amount to £510,000, and our working capital and other commitments against those balances require a sum of £420,000. Obviously, therefore, a sum of £110,000 has to be found by temporary borrowings in order that we may carry on the business of the Government. Our surplus, Sir, is tied up as to about £200,000 in working capital, cash and stores, and the remainder represents loans of which no less than £217,000 have been lent to agriculture. With revenue assets of £420,000, although tied up, but with the credit of this Colony behind them, is it an unsound practice temporarily to borrow £110,000 to ease the cash position until the policy of progressive economy or the liquidation of some of our frozen assets or the receipt of new revenue restores the position? I say it is not only justified but it is such a common commercial practice that if it were denied to the wholesale houses and the banks the world would come to a standstill. There are three sources from which this Government can usually borrow money temporarily. They are from London, from the local banks and from deposits held by the Government. The Government feels that it would be unhelpful to England at the present time and would probably be very expensive to endeavour to borrow in London. The deposits held by the Government are constant between £250,000 and £300,000. These are quite apart from the balance of unspent loan funds. If the Colony left its deposits and its unspent balance of loan funds on deposit at the bank and overdraw on the bank to meet its requirements in regard to the Revenue Account and also other requirements, it would have to pay in interest 1½ per cent more on its overdraft than it would receive on its deposits. To follow that course, Sir, would, I submit, be bad business and unsound finance. At the present time, Sir—and I should like to make this quite clear—the unspent balances of loan funds remain intact. They could be produced to-morrow if required without the slightest embarrassment to Government. My belief is also that those funds can be held

intact until they are released for the purposes for which they were borrowed unless we are faced with some dire calamity which would justify their use temporarily for other purposes. From this short explanation hon. Members may judge of the ridiculous charges which have been brought against the Government, such as that made two days ago, of the misapplication of loan funds raised in London. Such unfounded charges, Sir, are liable to do very serious damage to the credit of this Colony if they are not properly challenged and I am pleased to have this opportunity of publicly refuting them. Those charges have brought me back to the question of whether the Government is solvent or not. I state most emphatically that the Government is solvent and moreover that its credit to-day stands very high. The decision of the Government to suspend certain loan works and to conserve their funds was taken at a time when the whole Empire was facing a situation of such gravity as has never before confronted it and when every little help was needed. At the heart of the Empire this Colony could do very little but at least it could conserve its funds and avoid the possibility of having to embarrass the home government by additional demands on that government. The grave danger which threatened, Sir, has been averted by a very narrow margin, but it has not yet entirely disappeared and the Government, very wisely, I think it will be agreed, propose to continue the suspension of loan works for a time until the outlook is brighter and until the Colony's cash position has been strengthened. The position was, I think, very clearly explained in Select Committee—and it is dealt with in the Select Committee's Report—that Report was signed by the majority of the hon. gentlemen opposite, including the hon. Member for Nairobi North. If there should be any hold up of Kenya stocks owing to the misguided and ill-informed statements which have recently been made public, I should like to remind them, Sir, that its security is not only those works for which they subscribed but also the whole of the revenues and assets of a Colony of whose great and prosperous future I think there can be no doubt.

CAPT. THE HON. J. L. COTTER : Your Excellency, on looking through the Budget we have before us, the point that chiefly strikes me is that in the attempt to balance the Budget there is a very much greater preference to inflict fresh taxation on the population here than actual economy. Here at the present moment when the farming population—and I include there the native population as well—is suffering not only from a great economic depression but from the most serious invasion of locusts this country has ever known since it has been under British control, that is not the time to

put on various new taxat.on. In the words of the hon. mover of these various modes of taxation, of them all it was said that they will not be felt. I am quite prepared to admit that in the majority of cases, if it was the only tax, these things would not be felt very much—if it was one alone—but as there are a matter of thirty or forty different forms of taxation implied they come in the mass to quite an appreciable sum. I feel that the hon. gentlemen opposite have no conception of what is the actual state of the people in this country. These people are very largely reduced to absolute bankruptcy—they cannot meet their commitments and in some cases I know they are actually short of food. This is not the time to put fresh taxation on. In the Budget we find here that under the head of rents the same amount of rent, roughly speaking, is going to be obtained in 1932 as was obtained in 1930. I feel that if that is the opinion of Government it is a very optimistic one because I know—on many occasions people I know individually—cannot under any circumstances pay this money.

I come, Sir, to another point, and that is the Civil Service levy on which I was so criticized the other day. I still maintain, Sir, that if this levy is passed, if it is going to be adhered to, it will mean further unemployment because I do not believe in the long run the figures will come out level at the end of the year unless there is a further charge made against our Civil Service. All hon. Members here will agree that to throw further men on the unemployed list in this country would be a much greater disaster than temporarily reducing the emoluments of Civil Servants to-day. There are, however, other means, in which I agree with the hon. Member for Plateau South, which are much more preferable than a levy on salaries. I should like to explain the position that happened in the Committee, of which I was a Member. I did not disagree with the hon. Member that this form of taxation was the more desirable one. We were met with the idea that we had to obtain roughly £100,000 at short notice, and that was the position, Sir.

Under the head of leave, which has been gone into so many times and on which several committees have already sat, this question has never been gone into. It is still the old thirty months. That question alone could bring in, roughly speaking, the amount of revenue that is required. Then there is another one on the question of passage money. I feel that Government in making its contracts with the two companies which I believe obtain most of the passage money in respect of the officials going on leave to England—I refer to the Union Castle Line and the British India Company—that they have not made a sound business contract with them.

I feel that if that actual money—and I should prefer it to be done this way—if the actual cost of their passages was given to the individuals concerned and they were left to make their own arrangements, those individuals concerned would be very much better off and the country would be very much better off owing to the fact that the ordinary unofficial people living in this country on going home would easily have very much cheaper passages than they obtain to-day.

Another point in this Budget that has struck me is the remuneration that is paid to our military forces. It happens to be my own profession and I am fully well aware how highly paid they are. Assuming that a subaltern of the King's African Rifles gets between £500 and £550 a year, his total cost to this country must be in the neighbourhood of £800 a year. And now I cannot quite vouch for the accuracy of my information but it is not far off the mark—I know that a Divisional Commander, what would correspond to a Major General in the French Army, obtains a sum, I am told, in the neighbourhood of £600 a year—let us put it at £800 a year. That is the same cost as our subalterns here. We have an officer commanding forty to fifty men with exactly the same remuneration as one who is commanding twenty thousand. The thing, to my mind, is an absurdity.

Previous speakers have mentioned about the Dipping and the Fencing Acts. The whole original idea of the Land Bank was to enable the Dipping and Fencing Acts to be brought into force in order to encourage the only method of sound farming in the Colony, mixed farming. But as far as I can see the Dipping and Fencing Acts are not the only methods of employing this money. I stand to be corrected, Sir, because I have no information as to how they have spent this money but I have no knowledge of anybody having used any funds from the Land Bank for this purpose.

Now, Sir, I come to the final point I would like to make out. We have in this country somewhere about coming to maturity to-day, and which must be met by the finances of the country eventually, between four hundred and five hundred youths born in Kenya. Right through the whole sitting of this Budget Committee I have asked: "Have you any work for young European boys"? I was met with the reply by Heads of Departments, one after the other, that they can put up with one here and one there. With your leave, Sir, I will bring out an actual conversation between myself and the hon. Provincial Commissioner for the Nzoia Province. I asked him: "Have you room in your offices besides the Goans you employ for any of these European boys"? The Provincial Commissioner said—I understood him to say that he thought they had no room and that the Goans were very

efficient and highly-paid clerks. But Sir, that is not the point. The point is, we have in this country these boys, who have, in my opinion, an unalienable right to these posts in the Colony. But to return to my conversation with the Provincial Commissioner of the Nzoia Province. He said he possibly could do with a girl typist here in place of a Goan clerk but there was no room for our own flesh and blood born in this country. That is to my mind the weakest part and the most reprehensible part of this Budget. We have nothing for these young boys. I pointed out to him shortly that the boys educated in this country would be as good as those subject to a foreign power. He answered me by saying that would not be the whole matter, that these boys would try and rise—not be satisfied with their present position and try and rise. My only answer to that is that I presume these officers have to pass their examinations in order to be promoted and if these boys pass their examinations there is no possible reason why they should not rise to any administrative position in this State. Then, when the rumble of war comes along, as surely no hon. Member here will deny, and if China and Japan come into the war, do you say to these Goan clerks out here: "Come along, now, take your part"? No, Sir. We say to these European boys now we do not want them, but the moment the rumble of war comes along we say: "Come along, do your bit." You cannot tell these boys to do their bit one day and the next day say they are absolutely useless. I mention this because I think it is the most important question in this country to-day to throw open the whole Civil Service to the use of our own flesh and blood born and bred in this country.

COL. THE HON. W. K. TUCKER: Your Excellency, to me has been deputed the duty of ending the debate on this side of the House by clearing up such points as might have been omitted by my colleagues and it may be a bit of a relief to the House to know that I do not propose to traverse what other Members have said, at all events to any extent.

I am sure, Sir, the House will give me the added indulgence if I say that after three years of strenuous and unremitting labours in this House this is probably the last occasion on which I shall have the privilege of taking part in these debates for a considerable time to come.

Before enumerating the several points, Sir, not dealt with by previous speakers, there are one or two issues which I feel should be raised. The first one is the question of finance. It may be said that finance has figured very prominently in the debate this week and I agree that financial expenditure has been very much under discussion, that finance in the

nature of raising further taxes within this country has also been discussed *ad nauseum*. But, Sir, so far as I remember there has been no reference during this debate to what I regard as one of the most important views on finance and that is the external supply of money throughout the world.

Now, Sir, statements have been made by Government with regard to its non-existence. I remember, Sir, your own opening speech in June when you made a statement in respect of that matter, that is to say, that the Secretary of State held out no hopes at that moment of further loans, at all events in respect of agriculture. I remember much later, during that dreadful week of crisis in England, an intimation was given, Sir, to us—I am sure it was not a confidential one—that at the moment we were told to conserve our resources and that further help was most unlikely. Now, Sir, I have a feeling that, because those statements were made, one of them many weeks ago, another of them many months ago, the Government are rather assuming that because that state of affairs existed then, that state of affairs exists to-day, but I have grave doubts on that. I want, Sir, to ask Government whether they will make a comprehensive statement as regards their close and actual knowledge of these affairs as regards their day, because well-informed men, men in close touch with the money market at home who are coming back to this country week by week, disclose a very different state of affairs. We are told that there is plenty of money for investment throughout the world. We are told that when investors endeavour to choose in which direction that money shall be placed, that while things are not too bright in Kenya they are not too bright anywhere else. The whole thing is relative and when it is borne in mind, Sir, that—and it is a pretty good standard—when it is borne in mind the figure at which Kenya funds stand on the London market to-day, I say it is a distinct encouragement to this Colony to explore month by month—I would even say week by week—the possibilities of bringing money into this country, which is alleged to be available. Those figures, Sir, at which Kenya funds stand to-day support the view just expressed by the hon. Treasurer when he said that our credit stands very high. Now, Sir, in business, when one's credit stands very high and you want money, then you leave no stone unturned to get it, and I repeat I yet have to be convinced that Government is pursuing a steady persistent endeavour to get the money which they have not got to-day.

Quoting business once more, Sir, it may very well be that in the present state of our industries the view may be held that further money is not justified. That often happens in business but that does not rob you of the opportunity of



exchanging one block of capital for a cheaper block of capital. In other words, if you are running your business under the stress of a 7 per cent or 8 per cent debenture and you see your opportunity of exchanging that for one of 6 per cent, then it is not only a prudent action to take but one which is calculated possibly to turn loss into profit.

Now, Sir, the point I have in mind in raising this was really initiated by our late revered leader when this Budget was presented three months ago. At great length he pointed out the tremendous advantages to this country, not necessarily at the moment, of adding fresh capital, but of substituting for the existing "lock-ups", as the joint stock banks call it—of substituting for this tremendous mass of money placed about all over the country and held by farmers who never know more or less from day to day how they stand or when the money may be called in—of substituting for that system a very wide extension of the Land Bank whereby the mass of these mortgages, let alone the onerous ones, may be absorbed in a national system which, provided the borrower is in a position to pay the interest, is secure and which will enable him to conduct his farming operations without that anxiety which he suffers to-day. I therefore repeat, Sir, that if Government is not in a position to-day to raise fresh loans in respect of new expenditure, it might still be pursuing the policy laid down by the late Noble Lord with regard to a conversion of the existing bank loans into a great State loan, which would not only be cheaper but would enable the borrowers under an amortization scheme to become eventually the owners of their farms. Now, Sir, I do once more ask the hon. and learned mover in his reply to give us a frank statement as to what Government is doing or has done to date to achieve that end, or alternatively, to give their reasons why they do not share the views on this side of the House as to the desirability of that policy. At the same time, Sir, we should be very interested on this side to know precisely what liaison exists between the Government and the money market at home as regards information. Is Government, for instance, entirely dependent on periodical advices from the Crown Agents, people who, however estimable, have to consider the relative wants of plenty of other places besides Kenya? I do think some machinery ought to exist whereby Government is acquainted as completely and as regularly with the money position as they are with regard to such an element as locusts. It is the only natural course for a well-conducted Government to pursue.

One other word, Sir, on that subject—I was generalising before. I should like to ask Government how they stand with regard to the Land Bank Funds. When the Land Bank Bill

was on the verge of becoming law, Sir, we had every reason to believe that it would be initiated on the basis of £750,000 capital. At the last moment, due to circumstances which need not be repeated here, we accepted the legislation with its initial amount of £240,000. So far as we know on this side of the House, Sir, Government has not made very strenuous efforts since that date to increase the amount to £750,000, which in itself is entirely inadequate to carry out the many schemes which I am certain Government itself is desirous of pursuing. And again I regard that, Sir, as a pertinent question to put to Government on this subject.

Now, Sir, if there is a chance of borrowing money there are one or two pre-requisites. One has been dealt with this morning by the hon. Treasurer and that is to remove any possibility—I will not use the word stigma—doubt in the opinion of anyone in this world as to the cleanness of our finance out here. The hon. Member has referred to one or two of my colleagues on this side of the House who I understand in connexion with another issue will make a suitable reply and therefore I do not propose to pursue it except to say that in the wording of the Report of the Select Committee it is obvious by reading the newspapers that speeches have been made by quite fairminded and thoroughly educated people in Nairobi who have conceived that something has been done which should not have been done, and I therefore welcome the statement made by the hon. Treasurer, which will no doubt be followed by an exchange of views from this side of the House and further Government action if necessary.

The second pre-requisite to raising funds from outside is that our expenditure within this country should be brought down to the bottom. That statement, Sir, is not only a true one but is intended entirely to support the pressure that has been used by Members on this side of the House to bring down your 1932 expenditure below the figure which is printed. I would say that that factor will have more influence in the City of London than in the case perhaps of many Colonies because those of us who go home frequently and have a good deal of contact with the City of London know that there are many men, financiers, to-day whose ignorance of Kenya is colossal, but the one thing they do know and frequently quote is that in the past, Sir—and I am bound to speak of the past because it is some months since I was there—that we have a notoriously extravagant Government. That refers to the past but I would say this—and all our experience proves it—a little mud always sticks, and the lower we can get the Budget the more we shall wash out once and for ever that reputation that we have had in that all-important centre of finance in the past.

There are three or four comparatively small items in the Select Committee's Report which have enough significance just to be mentioned. The first one; nothing has been said about the Audit Department in the course of this debate. As regards the Audit Department I have nothing to say except that the increments lead to increased rather than decreased expenditure, but licence is given in this debate—and I know of nowhere else short of tabling a motion—where attention could be drawn to the Report on the Audit of Accounts for 1930 as tabled in this House a few days ago. We do on this side of the House, Sir, while welcoming to my mind the decidedly better certificate that the Kenya Government has had from this gentleman than on some previous occasions, we do deplore quite a number of remarks which he has been forced to make. I propose only to quote about two, Sir. He talks of a persistent disregard of all requests in connexion with the administration—referring to figures improperly altered on nearly every page of the cash book. He cites a case where a clerk misappropriated £10, only to be prosecuted and sentenced to one day's imprisonment. He says that mispostings in the ledgers are more the rule than the exception, and in one case he points out that after three years they have still been unable to get accounts from one particular department.

Now, Sir, the next item arising out of the Select Committee's Report which I must briefly draw attention to—it follows up a plea made by the hon. Member for the Coast a couple of days ago—is with regard to the Mombasa Nursing Home. I feel every sympathy for that Home, Sir, and I hope still that the hon. the Director of Medical and Sanitary Services will be able to help them. The point I rather want to make is one of procedure. This item was struck out of the Budget very early in October. The day after we signed the Report, that is to say, six weeks after we had dealt with the hon. gentleman, I received a letter enclosing a copy of an extraordinarily impressive memorial sent to you, Sir, setting out the claims of this Mombasa Nursing Home. That memorial was dated the 9th October and I do feel, Sir, that if it had been transmitted to us, which I think it might have been in the circumstances, before we had signed that Report we should have required the item to be reopened, and in my judgment we should have given it equal sympathy with that given to a similar vote raised by the hon. Member for the Lako which he was successful in getting established within the Budget.

Then, Sir, the Public Works Department. I propose to say very little—nothing at all in regard to what has been discussed in this House. It is the smallest item and yet there is a big issue involved in it, and that is whether the hon.

Director is pursuing the present organization in regard to the Transport Officer. I raise it because linked up with that are the proposals disclosed in the Select Committee's Report with regard to the possible advent into this country of a great tourist agency who may take over a portion of these duties; partly, again, Sir, from the fact that there has been a deep-seated desire on the part of well organized private transport concerns in Nairobi that that transport work could well be done by them—but over and above everything else, Sir, this very important question of publicity is equally linked up with the negotiations I have just referred to and it seemed to be the only opportunity of bringing in the one to raise the other. I am sure the hon. gentleman is in sympathy with the point of view that we expressed to him when he was before the Committee.

There is one particular department I should like briefly to refer to and that is the Kabete Reformatory. On the evidence we had, Sir, that organization is apparently only responsible to a sub-committee which meets at very infrequent intervals. Again, I formed the impression that there was not nearly sufficient an element of the Education Department permeating the institution which in many respects is the same as the Borstal system where I understand that education plays an important part and a most helpful part in carrying out the desired end.

Finally, Sir, with regard to departments, I trust I may be permitted to state this, that until we had passed the galley proof stage there was one item which was specifically included in the Report, and that was that the Select Committee congratulated the Attorney General on the admirable example that he had set in cutting down his expenditure. I only quote that with the intention of expressing the hope that while the hon. gentleman could have obviously done very little in the few days that he has been temporarily transplanted we on this side of the House do hope that he has sown some of those seeds which called for so much admiration in regard to his substantive department.

Then I want to traverse briefly a list of the many committees referred to in the Report, and some that are not. In the first place, Sir, we should be glad of an assurance from Government that once this Budget is out of the way you will propose, which we, I think with reason, hoped before, that you contemplate appointing an *ad hoc* committee generally to review the question of loan funds. That is all the more desirable, Sir, in view of the growing unrest in Nairobi with regard to the Law Courts, which all of us agree are pretty disgraceful but which are only part of the wide system.

Then, Sir, in opening the debate the hon. and learned gentleman, perhaps naturally, waved aside our resolution with regard to branch lines because of the possible advent of an adviser on transport. May we ask Government whether they have any official information yet as to whether that gentleman is going to materialize?

The next committee I should like to refer to is that follow-up committee which the hon. and learned gentleman also foreshadowed in his opening statement. We regard that as being of supreme importance. We have been struck by the lamentable want of follow-up on the part of Government in the past, more particularly in regard to the Report of the Select Committee of a year ago. Numerous cases came to light, Sir, cases which would have short-circuited our deliberations in Select Committee materially and I will only refer to one because to anyone in business it seems such an elementary thing to do. I understand that a year ago—in fact, I have the Report in front of me—it was agreed that possibly in memorandum form as a schedule or appendix, at the end of those departments which are revenue-earning you should show in memorandum form a profit and loss account so that when we are told, for instance, that the Agricultural Department—or the Veterinary or any other one—costs £x it is obvious to us that the money is being expended to a material extent in earning and that the net cost of that department—and it refers to quite a number of them—is far less than at first sight appears. The Noble Lord, the Leader of this side of the House, referred to that point in his opening speech when he expressed the hope which, on behalf of my colleagues I desire to reiterate, that that follow-up committee could with advantage to us and with equal advantage to Government contain some element of the unofficial side of the House.

And then, Sir, talking of committees, I am desired to express the view—we have got to leave the past behind us—I do not want to say anything about the Economic and Finance Committee which we visualised in the Spring but which did not crystallise, but we do ask you, Sir, favourably to consider whether in the future, if you find it necessary to vary in any major degree the annual Budget, that we may have an assurance that either the Select Committee will be reassembled or some similar body, which does adequately represent the views of this side of the House.

Finally, Sir, with regard to committees, I share the view of the hon. Member for Plateau South—which was rather encouraged by the hon. the Commissioner of Customs—that the day is not far distant when a Tariff Board may exist. I am quite sure it will facilitate materially the sort of legislation which occupied a good deal of our attention last week.

The only other body, Sir—unofficial body if you like—which I have to refer to—and here again I am voicing the strong feelings of Members on this side of the House—is with regard to the Board of Agriculture. We have not yet had the that Board. We all agree that it has passed through an experimental stage when some obvious improvements may be made, but there is one point, Sir, on which there is unanimity on this side of the House and that is that nothing must be done to break down the very important political point which has been achieved by that body. I do not want to introduce politics, Sir, beyond stating this, that during the years that have passed, during the years when the unofficial people of this country have striven one way and another to attain a reasonable measure of power, a measure harmonising with that of other Englishmen colonising in other part of the world, that Board of Agriculture was initiated on a direct inspiration from the Hilton Young Commission Report. The Board of Agriculture was intended to develop that proposal of Sir Hilton Young, and we have it on the evidence of statements at the recent Joint Parliamentary Committee that we have gone a positive step forward by the establishment of that Board in this country. Now, Sir, I repeat, it is the intention of this side of the House to insist, in so far as we are able to insist upon anything in this country, upon that advance point being maintained.

During the weeks we have sat in Select Committee, Sir, certain impressions were uppermost and I would just like to speak of the endless anomalies we found, such as the grave differentiation in different Departments as between pensionable and non-pensionable posts, and the varying degree in which acting allowances were granted, to say nothing of overlapping, which I will not develop this morning.

What I would say, Sir, in regard to an item which appears repeatedly in varying forms in the Budget—the subscriptions, some of them very material, which are sent home to various well-deserving bodies, bodies which are undoubtedly doing good work for the Empire and possibly good work for this country—what I would say is that I do hope, Sir, that you and your Government will favourably consider the important proposal made in the Terms of Service Committee Report that as far as possible that money shall be utilised in the future more particularly for the creation of scholarships whereby promising lads in this country, lads who have served a probationary period under the proposed new terms of service in this country, may be sent home and acquire a profession. In that way we feel Kenya will get a greater and more direct return for the money expended.

Then, Sir, we have found very little in this debate about the Colonial Development Fund. We did try very hard to absorb the many details involved and interpret the position as it stands to-day. It has been very difficult. The next lecture has already been referred to and the only particular point I would make is this. I was told last night on excellent authority that the development of animal husbandry in the States of the Union of this country is capable at a very short notice of yielding a bulk of export produce out of all proportion to anything that I conceived of and it does seem to me, Sir, that the hon. the Director of Agriculture should, if he has not—as I am sure he has—pursue that point whereby, in the words of my informant last night, it should be capable in a comparatively short time of exporting something like 3,000 tons of butter from this country wholly derived from native sources.

Then, Sir, I would like to go back to your retrenchments for one more moment, to compare them, because I think they should be compared with the retrenchments which have taken place in every other walk of life in this country. I feel sure that Government is still unaware of the example, because I believe Government can never wholly follow it—but I do state, Sir, without hesitation that the retrenchments adopted and carried out, not only within the last few weeks, but in the last few months by the collective industries within this country are far far greater than anything Government has so far done or any inclination to adopt.

Now, Sir, the Noble Lord the Member for Ukamba in his opening speech made some explanation with regard to the time that this Committee sat and he gave one or two reasons. I do not propose to traverse those reasons, Sir, but in view of the fact that unkind people think that the time has been wasted—I am not certain that an hon. Member did not say so here yesterday—I would like to point out first of all that although we were sitting three-and-a-half months we actually only sat on forty-four days or parts of days—in other words, six weeks, and I am confident that the work could have been done within a month if the material had been to hand. In particular, I regret the lamentable delay in taking what from the very first I argued was the big issue—the pivot on which we have to work—and that was the Customs Estimates. It was exactly six weeks, Sir, after we commenced to sit that we were able to arrive at a figure acceptable to Government in general and to the hon. Commissioner in particular. That to my mind need not have happened. The statements we made in August in this House were supported by facts and figures and experience, which to all intents and purposes were equal to those which caused the hon. Member six weeks later

to drop from £866,000 to £750,000, and there is no doubt, that we groped in the dark in those early weeks simply because we had no basis on which to work. I rather labour that, Sir, because it is essential, when hon. Members on this side of the House devoted so much time—which I can assure you is a great sacrifice rather than a labour of love—they must at all events desire that those whom they represent in this country shall feel in greater measure than has been indicated in the debate in this House this week that really good work has been done, that work has been done which is not expressed in the final balance shown to-day as compared with the final balance of six weeks ago. We feel, Sir, going back to the Customs for a moment, that that figure would not have come down but for our constant pressure. We may be right and we may be wrong, but we would point out that certain of the investigations, which obviously could not have been brought to a conclusion without our aid, do constitute a monument to the good work performed, and there are many reasons why it is desirable that we should be given a fair measure of credit for the work we have performed. Still, speaking of the question of Customs, Sir, the hon. gentleman said yesterday that in October he was faced—I hope I am not misquoting him—with fundamental and totally unexpected factors. Well, Sir, we cannot agree that the factors, apart from the crisis at home, were unexpected. He referred to what looked like a temporary infestation of locusts in August. Those of us who have been acquainted with this locust situation and suffered grievous loss do not share that view and we see very little difference between the position when this Budget was introduced and the position six weeks later. Further, the hon. gentleman said that if Great Britain had not gone off the gold standard his figures would have been further reduced. Well, Sir, there is a mass of well-informed business acumen in this country among business men, and I am sure that the hon. gentleman regards himself as one too. The mass of business men have come to the definite conclusion that this question of going off the gold standard is something that we cannot and ought not to take into serious account. We believe that the advantages will be counterbalanced by the disadvantages and that it is not a serious element which should influence the hon. gentleman in either defending the figure which he is defending or in taking the lower one, which Members on this side of the House still regard as the only safe one, having regard to the condition in which the country stands, where there is no room for speculation of any kind whatever.

Finally, Sir, with regard to this very friendly criticism of my hon. friend's across the way, he tried to score off us by pointing out that we accepted the Railway Budget last

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week. My hon. friend the Member for Nairobi North challenged that yesterday. As far as I am concerned, Sir, I do not personally—because, as a member of the Railway Council I do accept it—but I none the less protest against the argument being used in support of this Budget because one of the fundamental factors in arriving at the Railway Budget was the abnormally high cotton traffic from Uganda which we anticipated, still anticipate, and which has very little, if anything, to do with the Kenya Customs Revenue.

Finally, Sir, because I do feel—possibly I am a little sensitive—that the work we have done has got to be recognized and we do not feel it in any personal sense so much as this, that we are the vanguard of the main army which is coming into this country later on who will manage by hook or by crook to get a better grip on the control of this country and we do not want their position prejudiced by any suggestion on record that we of the vanguard have failed or materially failed in our duty.

**THE REV. CANON THE HON. H. LEAKEY:** Your Excellency, as I am not a financier I have no intention of taking any large part in this debate but as the hon. Member for Nairobi: South, who has just sat down, has mentioned the Kabete Reformatory I should like to say one word about that institution with which I am very well acquainted. I should like to say that although the Education Department may not be able to do very much in the way of directing the work there yet I consider the technical work there, especially the carpentry, is of a very high order, by such boys as are able to go in for that training. With regard to the committee—the so-called sub-committee—I should like to say that that committee, which calls itself a board of visitors, is highly representative but there is one difficulty about it and I personally believe it would be a great help to the work if the same committee—I mean a committee of men who could be the same more often—could meet, men who took a real interest in the education of boys, because so many of the members of that committee are not appointed as individuals but as holders of posts, so that on that committee, of which I am a member, we have very little continuity. We have a constant change of people there. I believe it would be a very great help if something could be done in that direction by people who had the time to meet fairly regularly and help the Superintendent with their advice.

I should like, as I am standing up, to endorse two things said by the hon. Member for Mombasa yesterday. I should like again to stress what I am absolutely certain is a fact—and I think I was one of the first many years ago to preach

to the first Director of Education asking him whenever possible that something should be done (and much has been done since then) in the way of Government using the missions by assisting them with funds. I am absolutely positive that it is the most economical way it can be done if proper supervision from the Education Department is there, and I am glad to say it has been in front of the Acting Director of Education—he fully understands this, and I know the Director of Education does. I can only ask that more and more Elected Members will support when money is being asked for those who are educating the Africans.

The other point, Sir, is one with regard to the teaching of English to the Africans. I do not want it to be suggested that I am flogging a dead horse—I am rather spurring it on anew again. I am absolutely convinced still to-day that it is not fair to the Africans that we should not do everything we can to spread the language of the British Empire, that magnificent language which we all believe, if we are not esperantists, is going to be the language of the world. We heard yesterday they want to learn it, they are striving to learn it, and they are paying for education. I am thankful the Education Department is committed to this—I only beg it will ever be kept in view. It is not fair to the Africans that not many of them have a chance to learn the English language.

May I also, Sir, endorse what has been said by the last two speakers with regard to the British youths born in this country. I hope that something will be done by which those who are promising will be sent home and properly trained to come out and hold posts in this Colony. If that is true of we British who come to colonise here, surely it is true also of the African who was born here that we should train him to learn English and take such steps as will fit him to serve in this Colony.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, before I endeavour to traverse the numerous and varied arguments which have been advanced against the 1932 Budget, or rather against the motion for the adoption of the Report of the Select Committee on that Budget, I think I ought to clear the decks by answering or trying to answer a number of specific questions that have been asked in the course of the debate and to which answers are naturally expected.

The first of these points, Sir, that I would deal with is that connected with the levy on official salaries. The Noble Lord, who opened the debate after the question was put, intimated very fairly indeed why it was that Elected Members pressed for a sum of £98,000 instead of £80,000. I have Your

Excellency's authority for stating that when the Committee Stage of the Bill is in due course reached Government will accept the motion, of which notice has already been given, for the deletion of the proviso to clause 4, that proviso which limits the maximum amount of the levy to 10 per centum. Perhaps I might ask the indulgence of the House very briefly to indicate the reasons that have actuated Government in coming to that decision. Government is of opinion that the sum of £50,000 which will be produced by that levy is in present circumstances sufficient. At the same time, I have endeavoured to make it clear that Government is not deliberately closing its eyes to the gravity of the situation and that there is still a possibility of affairs becoming worse. In that case, Sir, it may be necessary to raise a further sum by means of a levy on salaries. If that necessarily arises, Sir, I say with all confidence that a maximum of 10 per cent would inflict undue hardships on the lower ranks of the Service. If there is to be a further sacrifice it should be made by those who are in the higher grades of the Service and it may be necessary for Government to impose a levy at a rate greater than 10 per cent. That is the position. That is the position as it has been from the moment this debate opened. £50,000 we consider, so far as we can envisage the situation, to be sufficient, but if it is found to be insufficient then the deletion of that proviso will enable a further sum to be raised and raised equitably. The hon. Member for Kenya has spoken of the risk, as a consequence of this levy, of further unemployment. I would remind hon. Members that the introduction of this legislation is to a very large extent a voluntary measure instigated by the Service itself and that it was done entirely in order that further retrenchments might be avoided as far as possible. The Service felt it was better that each one of them should sacrifice a bit than that some should be called upon to sacrifice everything. I do hope that the hon. Member will prove wrong when he suggests that further unemployment will be the consequence of the introduction of this legislation.

The question of the taxation of municipal servants was raised by the hon. Member for Plateau North. I suggest that as the Committee stage is so near that is a matter—a matter of detail—which might more properly be left over for consideration when we are in Committee on the Bill. Notice of various amendments has been given and I can assure hon. Members of sympathetic consideration of them.

The hon. Member for Plateau North also suggested, Sir, if I understood him correctly, that we of the Civil Service were of the opinion that others had not made sacrifices. For that there is no foundation at all. The facts are obvious,

they are palpable. Sacrifices have been called for from everyone. I would wish to give the hon. Member an assurance that in making that statement, so far as the Civil Service is concerned, it is completely incorrect.

One other point before I pass from the levy is that made by the Noble Lord, the Member for Ukamba, who, if I remember rightly, stated that Tanganyika had already introduced and imposed a levy. That, Sir, so far as my information and belief goes, is incorrect. They have passed the Ordinance but the Ordinance is to come into force on the same date as the local one, that is the 1st January.

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of explanation, I said that in this morning's paper it is reported that Tanganyika had imposed a levy at a higher rate than we had here.

THE HON. THE ACTING COLONIAL SECRETARY: I beg your pardon—I must have mis-noted the statement.

The second point to which I come is the terms of service. In trenching on this subject at all, Sir, I feel a very considerable measure of diffidence because on the Order Paper there stands a motion in the name of the hon. Member for Plateau South dealing with this very subject, and the last thing that I, on this or any other occasion, would deliberately do would be to say anything that would impede the free progress of that debate which comes later in the Session, Sir. For that reason I propose to say little or nothing on it at the moment except to counter the statement which was made by the hon. Member for Plateau North yesterday that in spite of repeated requests he had been unable to get any information as to the terms of service for Civil Servants.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of explanation, Your Excellency, what I stated was that I had asked for the Colonial terms of service to be distributed to the Select Committee and I pointed out that notwithstanding several reminders it had not been done.

THE HON. THE ACTING COLONIAL SECRETARY: My information—I was not at the time in question a member of the Select Committee—but my information, which is fortified by the file of papers laid before the Select Committee which I have in my hand, is that a précis of the terms of service for European officers, either pensionable, probationary or serving on the usual form of agreement, was in fact circulated to Members of the Select Committee. The reason why there was a précis is, I hope, fairly obvious—otherwise it would have

been necessary to distribute copies of the Colonial Regulations, the local Code of Regulations, innumerable Colonial Office handbooks, because terms vary in various departments—there is a medical handbook, a legal handbook, an administrative handbook—and opportunity was taken to boil down all the information in these various publications into the form of this précis which I understand was distributed.

THE HON. T. J. O'SHEA: On a further point of explanation, I think it is only right to make it clear that what the hon. Member is referring to is the large blue book known as the Code of Regulations. Elected Members were promised copies and promises were made that they would be distributed—but he has never been able to obtain one.

THE HON. THE ACTING COLONIAL SECRETARY: That, I can assure hon. Members, is entire news to me. Had the hon. Member for Plateau North made that clear yesterday I need not have taken up the time of the House for the last two or three minutes. I repeat, this is entire news to me—I will make a point of seeing what is the position with regard to those volumes.

I pass to the suggested Committee on the King's African Rifles and the Police—the cost of the King's African Rifles and the Police and the analogy of Northern Rhodesia. Hon. Members will acquit me of any desire to birk an important issue like this if I remind them that the question is not quite so simple as it appears and is not capable of quite such a speedy solution as certain Members have suggested. It must be borne in mind that conditions in this Colony are peculiar from that point of view. Turkana and the Northern Frontier Province present difficulties that do not arise in many other territories, in most other territories. Furthermore, Sir, the King's African Rifles organization affects all the East African Territories. It is true that there are police posts in the Northern Frontier at Moyalo and Mandera, but it is equally true that behind them they have the comforting knowledge of the presence of the military at Wajir. The military forces at Wajir have in fact been pretty busy in the recent past in that neighbourhood. The question of effecting economies in that way is one which naturally will be examined but I would remind hon. Members that it will entail reference not only to the Inspector General of the King's African Rifles who is expected in the Colony before very long, but also of course to the War Office and the Overseas Imperial Defence Committee. Reference will have to be made to them before any decision on such a matter can be taken. As the hon. Member for Plateau North reminded us yesterday, the present situation is one which is, in his words, insisted on by the Imperial Government.

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The Public Works Department is occupying . . .

LT.-COL. THE HON. LORD FRANCIS SCOTT: On a point of explanation, Sir, is Government going to appoint a committee to enquire into this or not?

THE HON. THE ACTING COLONIAL SECRETARY: At the moment no, Sir. My point was that prior reference would have to be made to the War Office and the Overseas Imperial Defence Committee.

LT.-COL. THE HON. C. G. DURHAM: On a point of explanation, must we go and ask the War Office whether we can go and appoint a Committee to investigate this matter?

THE HON. THE ACTING COLONIAL SECRETARY: The suggestion never emanated from me, Sir.

The Public Works Department has occupied an undoubtedly prominent position in this debate and on that subject I desire to say only two things, Sir. In my opening speech I gave an assurance that the Committee which Elected Members had asked for would be appointed. The other point is that made yesterday about the publication of the Report of the Public Works Department Committee. In the name of the Noble Lord the hon. Member for Ukamba there stands a motion on the Order Paper on that subject and when that is reached, Sir, I hope to have the indulgence of the House in order to make a short statement of Government's intentions in that regard.

The Agricultural Credits Scheme, Sir, has been touched on, but on that I need add nothing, I think, to what I said in my opening speech. I would again remind hon. Members that we cannot make financial provision except by means of a token vote for long term agricultural credits.

Now, Sir, I come to the Fencing and Cattle Cleansing Ordinances, which the hon. Member for Plateau South describes as "still promises." I am happy to say they have got a little past that stage now, Sir, and in a very recent post—indeed, a matter of days, Sir—we received an intimation that His Majesty had been pleased not to exercise his powers of disallowance in respect of those two measures. That only arrived in November, Sir. The position, therefore, is that these two measures are now law. Eight amendments, certainly in one and probably in both of them, will have to be made—amendments of form rather than of substance. Those Bills are in readiness and will be introduced next session. The cost to the State of the immediate application of the Cattle Cleansing Ordinance, Sir, is I think negligible. The question of provision for the State's proportion of the cost

of the application of the Fencing Ordinance is a matter which can now, in view of the non-disallowance of that legislation, be explored.

THE HON. T. J. O'SHEA: Another promise.

THE HON. THE ACTING COLONIAL SECRETARY: The question of loan funds and the use of loan funds, after the very excellent exposition of the situation given by my hon. friend the Treasurer this morning, is one which I do not propose to touch on.

And now, Sir, I come to the question of locusts. Hon. Members may not perhaps be aware, Sir, that it is a standing instruction that at the opening of each meeting of Executive Council the locust situation has to be discussed at length. That happens as a routine matter now at the very outset, at every meeting of Executive Council, and so long as this great menace is with us that practice will continue to be followed. Subject always to the final and inherent right of Government to decide on questions involving expenditure of public monies, the advice of the Locust Committee has been, I think I may say, invariably followed. It is a body which is doing excellent work and will, I know, continue to do excellent work. It was suggested, Sir, that we were not showing very good faith in that we had provided only £5,000 for this work in Estimates. I would remind hon. Members, Sir, that strictly speaking, according to Colonial Regulations which deal with the subject of Colonial Estimates of Revenue and Expenditure and Appropriation Bills, provision for contingent unforeseen expenditure should not be made. It is, in certain cases, made as a matter of convenience by means of a token vote and that £5,000 is nothing but a token vote. It has never been suggested that that sum is adequate if the locust menace is a really serious one in the course of 1932. It has never been suggested, Sir, until I heard the suggestion made yesterday, that anyway we have spent that £5,000 and there is no more money. It is merely there, Sir, as a matter of accounting convenience, as a token vote.

I was asked what the result of the negotiations with the Conference Lines and Transport Administration for the carriage of locust meal was. I am happy to announce, Sir, that the Conference Lines have agreed to carry locust meal at a rate of £2 per ton if the sale value in the place of sale does not exceed £10 and of Sh. 50 if the sale value exceeds £10. The position of the Railway Administration I cannot state with the same certainty, Sir, because a formal reply has not been received, but there is reason to believe, Sir, that the Railway will charge an all-in price from any meal factory to the Coast of Sh. 22/40 per ton.

Much has been said, Sir, about the follow-up committee and on that I can do no more than repeat the assurance which I gave in opening that the committee's recommendations will be followed up. Machinery has been set up and if hon. Members have any reason to think that that machinery is not functioning they will have an opportunity, by question or otherwise, of raising the matter.

A very interesting suggestion, Sir, was made by the Noble Lord—particularly interesting because it is one which has been exercising your mind for some little time. That is the advisability of appointing a standing committee on finance. I repeat, Sir, that for some time before this debate Your Excellency has had that very carefully in mind and I know that I can assure hon. Members that that is a matter which is being very carefully considered indeed and I hope that in a very short time a decision advantageous to the Colony will be taken.

On compulsory education, Sir, the position I think is fairly clear. There has been a recommendation that it be introduced at the beginning of 1933; there has been a provisional scheme prepared by my hon. friend the Acting Director, which was considered in Select Committee—there has not, of course, yet been time to polish that up and make a complete scheme of it, but in the course of the year, Sir, that will be done. If the recommendation is to be given effect to, naturally there must be a scheme which has got to be followed. I am quite sure, Sir, that in a matter of such importance and live interest to the whole Colony if we do not remember—the hon. Member doubted whether we would—we will certainly be reminded.

The Native Administration Department circular on the development of the Native Reserves, Sir, came in for a certain amount of derision, if I may say so, Sir. It was characterised as "camouflage", or, as the hon. Member preferred to call it, "window dressing", and the ordinary Government habit of making promises. There again there is a specific motion on the Order Paper and I think it is a fair course to adopt not to forestall what may be said but to leave the discussion to what may be said on that motion.

The position in regard to the meat factory and overstocking in the Reserves is that application was made to the Colonial Development Fund, but unfortunately unsuccessfully.

The Mombasa Nursing Home has been mentioned both by the hon. Member for the Coast and by the hon. Member for Nairobi South. The position as regards that, Sir, was that the services which that Nursing Home rendered to Government have since become unnecessary and it was on that



ground and that ground only that this particular grant was, with the agreement of hon. Members in Select Committee, discontinued. Since then, Sir, the Nursing-Homes has been asked to submit accounts and those have just been received. I am sure that hon. Members know, if a case can be made out for this or any other similar institution, that case will be considered on its merits and provision can still be made. The only position we are considering at the moment is whether we were justified in the decision of the Select Committee at that time to delete that provision from the Estimates.

I would like to say, Sir, while on the subject of the speech of the hon. Member for the Coast, how very interested I was to hear of the co-operative scheme for the production of jams, sauces, and so forth. I can assure the hon. Member it was to me a piece of very good news indeed. I have always believed and I shall continue to believe that with such co-operation a very great deal of prosperity and advancement can be made in the agricultural development of this country.

Now, Sir, I have five, and five only, more small points. The first, Sir, is the suggestion of the deferment of leave. The difficulty which Government feels, Sir, in considering the suggestion made by the hon. Member for Nairobi North, is that if leave is deferred in 1932 there is going to be a curious position in 1933, as, in addition to those whose leave has been deferred, who will be away together, there will fall to be added the further number whose leave falls due in the ordinary course in 1933, so that practically, Sir, in 1933 we should have more than the normal company of officers present in the Colony and in 1933 very many less.

**CAPT. THE HON. H. F. WARD:** Your Excellency, on a point of explanation, I did not suggest deferring the leave of 1932—I suggested an extension of the present tour.

**THE HON. THE ACTING COLONIAL SECRETARY:** That is a point I was just coming to, Sir. Another scheme has been adumbrated for the extension by, say, six months of either the present tour or the next tour—the present tour in the case of officers in a tour and next tour in the case of officers on leave. The Statistician, Sir, is at present engaged in working out—getting out the necessary figures on that scheme and the economies which the introduction of such a scheme would produce. Careful consideration will be given as soon as those figures are available, Sir, to the possibility of introducing that scheme.

I would like to apologize to the hon. Member for Nairobi North for so completely misunderstanding his point. We are, it appears, at one.

The hon. Member for Kikuyu asked a number of questions on the Widows' and Orphans' Pensions Scheme. I find, Sir, that on the 26th November, 1928, as a consequence of a similar question asked in this Council by the hon. Member, a very full and comprehensive reply on all these points was given to the hon. Member.

**LT.-COL. THE HON. C. G. DURHAM:** On a point of explanation, I was not satisfied with that answer, and that is why I brought them up again.

**THE HON. THE ACTING COLONIAL SECRETARY:** The position there shortly is that the European Widows' and Orphans' Pensions Scheme is a scheme and the Asiatic Widows' and Orphans' Pensions Fund is a fund. The European provisions are in Chapter 34 of the Laws, and section 8 provides that "all contributions under this Ordinance shall be paid into or credited by the Crown Agents to the Treasury of the Colony"; in the case of the Asiatic fund the provision is quite different—"all contributions under this Ordinance shall be paid into the Treasury for the credit of the fund." The difference, Sir, is, I think, an elementary one: The scheme has the backing of the revenues and assets of the Colony; the fund has the backing of the amount standing to the credit of the fund. That is the essential difference. The Asiatic fund is shown in the Estimates because it is a fund, and for the same reason, that it is a scheme, those contributions to the European one are not shown separately in the Estimates.

The further question, Sir, as to the position occupied—I think "rake-off" was the expression used—by the Crown Agents is that the Ordinance provides in section 31 that the Colony pays a prescribed proportion of the management expenses. The scheme, which operates not in this Colony only but throughout Eastern Africa, is managed by the Crown Agents on behalf of the various governments, and the expenses of management are divided proportionately between the various governments concerned.

The question of interest was also raised. That is a very difficult one to explain, because no interest is really paid in the ordinary sense. One gets by virtue of the contributions and by virtue of the particular status, domestic status, which one occupies at any particular moment—whether one is married or single—one has a registered pension, and that registered pension is not inflated by any interest at all, but in registered pension is not inflated by any interest at all, but in the actuarial tables and the explanations annexed to the Ordinance hon. Members will find that there are specimen cases taken, and they are calculated, in order to arrive at the registered pension, on the basis of compound interest at 8 per cent.

Now, Sir, there is one more point that I should like to touch on before I deal with the speech of the hon. Member for Nairobi South, and that is the point made by the hon. Member for Kenya with regard to the employment of local young men and young women. The hon. Member referred to a discussion

**CAPT. THE HON. J. L. COTTER :** On a point of order, Your Excellency, I especially exempted the young women.

**THE HON. THE ACTING COLONIAL SECRETARY :** Perhaps the hon. Member will allow me to be more generous and include both of them. The hon. Member referred to a conversation which he had had with my friend the Provincial Commissioner, Nzoia, and that, Sir, will be found at the top of page 10 of the draft Report. I think it is clear to anyone who reads that paragraph and remembers the circumstances in which it was recorded that it meant no more than this, that as a measure which would have an immediate favourable financial reflection on the Estimates for 1933 it was not practicable. But I would remind the hon. Member that at the opening of this session I stated briefly Government's intentions with regard to a local service. There is no one more anxious than Government is to find proper and profitable avenues for the employment in the Service of the youth of this country. The existing provisions are not entirely satisfactory, because there is the difficulty of promotion from one grade to another; that is one of the matters which the committee on the local service will have to explore, but there is certainly, Sir, no lack of sympathy.

*The Council adjourned for the usual interval.*

*On resuming.*

**THE HON. THE ACTING COLONIAL SECRETARY :** During the interval, Sir, I have been asked to deal in my reply with the further important matter of publicity. At the outset, Sir, I should like to say that the attitude of Government towards publicity is entirely sympathetic. It is one of the finest things that can happen to the Colony. The further matter of the Trade and Information Bureau I can put very shortly. The recommendations of the committee of Elected Members are under consideration by the main advisory committee in London. I understand further, Sir, that Sir John Davidson is expected in the Colony here in the very near future, and that there will probably be an opportunity then of discussing the matter with him.

There is one part of the debate with which I have not attempted to deal yet, and I am afraid that my attempts to deal adequately with it will fall very far short of perfection,

because it is a great regret to me, Sir, that the hon. Member for Nairobi South, whose views are always so deserving of respect and full consideration, was unable to speak until this morning. I would remind hon. Members that I am not asking for sympathy or anything of that sort, but I am in a new saddle and I am still sitting a little uneasily in it, and a certain number of points have been raised upon which I am afraid the information at my disposal is lamentably inadequate. I say that, Sir, not as a plea for personal sympathy, but as a means of giving assurance to the hon. Member that if there is further information I can give him I shall be very glad indeed if he will come and ask me, and I will try and satisfy him on all his points.

The first point which the hon. Member made was: Is it at all likely at the moment, so far as the information at Government's disposal goes, that the Colony would be able on favourable terms to float another loan? At the moment, on that I can only say that Government has no further information than that which the hon. Member himself has. The indications, so far as we are aware at the moment, are unfavourable. We have not, however, been pessimistic in the matter, because I would remind the hon. Member that we have inserted a token vote under the head of Interest in the hope that we may possibly be able to use it.

The Audit Report; I am afraid I have not read it for a considerable time, and the particular points that the hon. Member dealt with perhaps rather escaped me; but I would submit that in an administration of this size there are always a few cases where the audit have to step in and where the audit have to report in pretty peremptory terms. I am quite sure no hon. Member will take that as indicative of the standard of accounting performed throughout the Service as a whole; hard cases make bad law, and equally so it is only outstandingly bad cases that fall for any particular mention in a report of that sort.

The question of the Kabeto Reformatory was raised, not only by the hon. Member for Nairobi South but by the hon. Member representing Native Interests. The reason that a visiting committee is in charge is statutory. The provisions of Chapter 39, the Reformatory Schools Ordinance, provide for the management by means of a superintendent and a visiting committee. I think it is perhaps hardly fair to say that the visiting committee functions very infrequently because, unless they are completely blind to their statutory duties, they have to have a statutory meeting at the Reformatory at least once a month. The whole question of the Reformatory, Sir, is, I may say, under consideration in connexion with more modern legislation for the treatment of juvenile offenders generally.

That legislation has been printed; it has been considered at a number of meetings, and is at present being considered by Provincial Commissioners throughout the country in the light of the requirements of their own particular provinces and districts; and, Sir, if—as I hope it will—in due course becomes law, it will introduce instead of the present rather penal institution something analogous to and on all-fours with the Borstal system, which is a reformatory system in its true sense.

Now I come to the various committees which the hon. Member dealt with. The first was, if I understood him correctly, the committee on the loan position, and on the use of loan funds. That has come as a complete surprise to me, because, as the hon. Member is very well aware, there is a Loan Works Committee at the present moment. On that I can only ask for indulgence, and beg the hon. Member to come along and elaborate his point, and I will endeavour to satisfy him.

COL. THE HON. W. K. TUCKER: May I state, on a point of explanation, that we have, rightly or wrongly, for many weeks been under the impression that something would happen quite outside the functions of the Loan Works Committee, on which I sit; that is to say, that an *ad hoc* committee would be appointed to review the whole loan schedule, so that, for instance, the plea put forward by Your Excellency in June last with regard to hospitals might be fully considered under the heading of Public Buildings as possibly an alternative to Central Offices, and so on. The committee, I repeat, that I had in mind was an *ad hoc* one entirely outside and beyond the functions of the Loan Works Committee.

THE HON. THE ACTING COLONIAL SECRETARY: I am grateful to the hon. Member, Sir.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Arising out of that, on a point of order, if my recollection is correct, Your Excellency said in your opening address, in August, I think it was, that when this Select Committee was settled you hoped to go into the whole question of loans.

HIS EXCELLENCY: The Noble Lord is quite right, and I will give that undertaking.

THE HON. THE ACTING COLONIAL SECRETARY: I am sorry I could not grasp adequately the point, but I think the position is now clear.

The hon. Member also asked whether we had any official information as to the attitude which the Imperial Government propose to take with regard to the appointment of an adviser on transport. I think everyone here knows just as much, or

just as little, as I do about that. I understand, Sir, from the Press, that it is the intention of the Imperial Government shortly to give time to the discussion of the Report of the Joint Committee, and that matter, among others, will then fall for decision. Pending that discussion, of course, we have no official information.

On the Colonial Development Fund I fear I can give the hon. Member very little information which he already has not got. He was good enough to remind me that it bristled with detail: I am sure he will not want me to attempt quite inadequately to cover all that ground now, but again, if there is any information I can give in another place I shall very gladly give it; Sir.

I have dealt with the questions that were put to me, and I propose now shortly to address myself to the general criticisms of the Report, to which all Members on the other side have devoted a great deal of time. I do not think it is unfair to suggest that any stick is good enough to beat the Budget dog with, and the dog of 1932 has had a pretty warm reception.

THE HON. T. J. O'SHEA: No stick is big enough.

THE HON. THE ACTING COLONIAL SECRETARY: I would remind hon. Members, however, that in spite of the castigation it has had it still is wagging a tail, even though a very short one of £50,000. The Budget has been subjected to an unusually severe amount of adverse criticism, and I confess quite frankly that I find it difficult to find the proper line of reply to such criticism, for the reason that it is entirely destructive. I have listened carefully to the debate, and have made exhaustive notes of the various speeches, and I confess that at the end of it—if I except the suggestion of the hon. Member for Nairobi North regarding extended tours, and the silver bullets of my friend the hon. Member for Mombasa, ammunition for which I desire to thank him in the hope that it will prove of real value to Government—I have listened in vain for any constructive suggestion that will lighten the burden upon us in 1932.

Long-range schemes for the future development of the Colony and enhanced production in the Colony have certainly been suggested. There have been several of those, Sir, and they may, and I hope they will, prove to be of great ultimate benefit to the Colony, and again, Sir, I would particularly thank the hon. Members for the Coast and Mombasa in that connexion. But our need, Sir, at the moment is urgent and grave and the problem which we have to face here and now is that of balancing the Budget for 1932.

In my opening speech, Sir, I ventured to characterize the 1932 Budget policy as one of weathering the storm. That has again, Sir, been stigmatized as "an apt phrase" and as an expression of a policy for which there is no justification; but I am afraid, Sir, in spite of that criticism, I still adhere to that view. Our desire to steer the ship of state through the present grave storms into smooth water must not be construed, however, as a refusal to give due weight to economically sound schemes for the future. Once we have come through the maelstrom taut and watertight we shall be in a good condition to embark on any profitable venture for the Colony's advancement. Our estimated surplus, Sir, may be small, but I believe it will be real, and, as I said in my opening speech, if further disaster befalls us, it will then be time enough to lighten the ship, a process which we can only do by jettisoning staff and essential services.

The whole trend of the debate, Sir, has been, if I have correctly interpreted it, to place the full responsibility on Government. Well, Sir, I think that is perhaps a little unfair on the part of Elected Members, because they were given an opportunity during the discussions in Select Committee to assist in reducing expenditure and suggest further economies.

LT.-COL. THE HON. LORD FRANCIS SCOTT: They were all turned down, though.

THE HON. THE ACTING COLONIAL SECRETARY: As the responsibility is ours, Sir, then Government must shoulder it as best it can, and I do feel sure, Sir, in spite of what the hon. Member for Plateau South said, that in that task we can confidently count on the assistance and collaboration and co-operation of every individual Member.

THE HON. T. J. O'SHEA: Question.

THE HON. THE ACTING COLONIAL SECRETARY: Much insistence has been placed, Sir, on the allegation that in the Estimates of Revenue Government has been over-optimistic. That, of course, is a matter of opinion. We are dealing only with estimates, but after hearing the cogent arguments which my hon. friend the Commissioner of Customs has advanced in support of his estimate of Customs revenue, I do not propose now, Sir, to embark on further discussion of them. In this connexion, Sir, there are only two points that I desire to make. The first, Sir, is in answer to a suggestion made by the hon. Member for Kikuyu that Government instructed heads of revenue-earning departments to estimate their revenue as if times were normal. I need not say, Sir, that for such a suggestion there is no foundation at all. The heads of such

departments are responsible officers, responsible to the Colony they serve; and I think I can go further, Sir, and say that the suggestion carries its own refutation because, if hon. Members will look at pages 6, 7 and 8 of the Report of the Select Committee, they will find that in the first examination of the Revenue Estimates the heads of those departments suggested considerable reductions in the revenue figures of the Game Warden, the Surveyor General, the Postmaster General, under Head V, Earnings of Government Departments, Head VI, Head VII and Head IX. Those are instances which spring to the eye, Sir.

The second point, Sir, is that at a time like this, when the Colony and the whole world is just recovering from a bout of profound depression, anything that will instil confidence and put heart into the Colony is all to the good. When I say that, Sir, I am not to be taken as suggesting that our Estimates are unduly optimistic. The position, I think, I can put quite shortly, Sir. Where two opposing views are expressed, where each is conscientiously held by the person who expresses them, then I always prefer optimism to pessimism. We are estimating and doing nothing more than trying to arrive at an accurate approximation of the situation in the future, and when we are doing that, Sir, I think it is very much better not to get our tails down and to remember that optimism is not a bad cure for quite a number of economic and social diseases. Government has put forward its revised Estimates honestly believing that unless a crisis occurs in 1932 they will prove to be justified. If a crisis occurs, then, as I have said already at the opening of this debate, we will have to face further retrenchments and curtailment or possibly even the abolition of essential services; and I agree, Sir, with the hon. Member for Nairobi North that that is a risk which we have to face, but I will further say, Sir, that it is a risk no one of us wishes to face until we have to.

CAPT. THE HON. H. F. WARD: On a point of personal explanation, Sir, my point was that it is a risk Government should not accept.

THE HON. THE ACTING COLONIAL SECRETARY: It is a risk which has been forced upon us which we will have to accept, but we shall not jump that particular hurdle until we come to it.

Anything more unsettling to the Colony as a whole than the knowledge that further retrenchment is going to take place in the near future, anything more subversive of efficiency than hanging a sword of Damocles such as that over the head of every servant of the State, I find it very hard to imagine.

I do agree with the hon. Member for Nairobi North in one statement, Sir, which I hope he will allow me this time to attribute to him, and that is that 1932 must normally be devoted to adjustments before we reach calm water.

And now, Sir, I would like to say a word on the speech of the hon. Member for Plateau South. Of his sincerity and honesty of purpose there can be no doubt; of his bitterness in opposition, there can be no question. I accept his assurance that he is actuated by no venom against any member of the Civil Service and that his suspicion and dislike is directed only against that soulless entity of the Government. But in the course of his speech he invited me to criticize his balance-sheet for the Colony. That is an invitation, Sir, which I intend to decline. I think I can do so, Sir, on the hon. Member's own showing. I have not had an opportunity since that balance-sheet reached my hands yesterday of making such investigations as would be requisite before I could attempt to dispute or qualify any of the figures which he gave us, and, as the hon. Member was kind enough to remind the House yesterday that my store of economic knowledge was so small as completely to disentitle me to any right to intervene in this debate on any score other than a purely forensic one . . .

**THE HON. T. J. O'SHEA:** Your Excellency, I am astonished that the hon. Member did not understand what I so very clearly stated that I questioned his knowledge of the economic conditions of this Colony.

**THE HON. THE ACTING COLONIAL SECRETARY:** As the balance-sheet deals with the Colony, I think the two things are the same. I do not pose as an economist, and I am going to try and drop that quite ill-fitting mantle at this moment. But one thing I should like to say, and that is that on his own showing, according to his balance-sheet, the Colony is insolvent. By this rejection of the levy on official salaries and the yield therefrom, it seems to me that he wishes to saddle an already insolvent Colony with a very much heavier burden to the extent of an additional £50,000 on our showing, and £98,000 on the showing of Elected Members. I do suggest to the hon. Member, Sir, that in a period of convalescence it is very much better to give the patient a little comfort, such as an additional £50,000, to help him back to health.

A number of hard things have been said about Government in the course of the debate, Sir. It has been accused of—I have them all here—lethargy, dilatoriness, insincerity, lip-service, breach of faith, and dishonesty. It is, in the words of the hon. Member for Plateau South, "the most cumbersome, the most costly and the most inefficient system of any government in the Empire." In spite of that, Sir, I am

bold enough, or thick-skinned enough—have it as you like—to repeat the assurance which I gave when I moved this motion. Government is not deliberately closing its eyes to the gravity of the situation. Government has the interests of the Colony truly at heart. Government has the interests of the Colony to make, every effort to effect economies and build up surplus balances again. But Government is not going to yield to panic. Government is not going to be rushed into measures of false economy. The situation still permits of due consideration being given to the various measures proposed, and that consideration will be given. We must, as the hon. Member for Nairobi North reminded us, avoid a repetition of what happened in 1921, when services had to be rebuilt at considerable expense. The Budget before us, Sir, provides for a surplus. That surplus can be used against any unforeseen shortfall in revenue. That surplus, Sir, gives us the necessary breathing space.

One last point, Sir, that I desire to touch on. Government very gladly accepts the assurance of the Noble Lord that no Elected Member is actuated by any desire to score points off Government or make the position of Government more embarrassing. The motive underlying the whole of this debate, Sir, as I understand it, is that every Member has in the forefront of his mind the feeling that the Colony is up against it. That and that only, Sir, is why the debate has perhaps taken a slightly more forcible form than such debates have in certain other years, and that is ample justification for forceful arguments having been used this year, Sir. We must leave no stone unturned in the interests of the Colony's prosperity, and I would ask hon. Members in turn to believe me when I say that Government does realize the gravity of the situation; that Government is actuated by a real desire to alleviate the present situation, and there is certainly no suggestion on the part of Government to close the door in the face of Elected Members, least of all at a time of general gravity such as this.

The hon. Member for Nairobi South said, Sir, at the conclusion of his speech this morning, that he was a little sensitive at the idea that in certain quarters the value of the work which Elected Members have done in connexion with these Estimates was not realized. That may be so. I have no personal knowledge of it, but there may be foundation for the susceptibilities of the hon. Member in that particular direction. I can only assure him, Sir, that no such suggestion has ever been made or is going to be made by or on behalf of Government.

**HIS EXCELLENCY:** The question is—

"That the Report of the Select Committee on the draft Estimates for 1932 be adopted subject to the following two amendments:—

(i) That the following words be inserted immediately above the Clerk's signature on page 34:—

'Mr. O'Shea attended the greater part of the meetings but declined to sign the Report.'

(ii) That the last sentence of the paragraph on page 27—the marginal note to which is 'Postmasters and Junior Postmasters, items 3 and 4'—be deleted, and the following substituted therefor:—

'Apropos of this, he informed the Committee that under the agreement which included the transfer of the Mombasa Wireless Station there would be a total general saving to Government and the public of approximately £14,000.'

The question was put and carried by 19 votes to 11:—

**Ayes.**—Mr. Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Leakey, Messrs. Logan, MacGregor, Rushton, Wade, Walsh, Col. Watkins, Mr. Welby, Col. Wilkinson.

**Noes.**—Mr. Bemister, Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

#### ADOPTION OF ESTIMATES FOR 1932 WITH AMENDMENTS.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move the very lengthy motion standing in the Order Paper in my name. It is, Sir, portentously lengthy, but I do not think it will take me long to explain both the objects of and the reasons for it. As I indicated in the course of my speech on the last motion, Sir, the Estimates of Revenue and Expenditure for 1932 in their final form reflect the official estimates both of revenue and of expenditure and so the first portion of the motion, that embodied in the first four lines at the bottom of the first page of the Order Paper, merely reiterates that position. The rest of the motion, Sir is necessitated by, I think, three factors. One is *un fait accompli*, the passing of the new Customs tariff and Excise duty legislation on Friday, the fourth day of this month, which naturally has to be reflected in the estimates of

revenue for the coming year. That accounts for the suggested amendments under Head I, Customs, and Head II, Licences, Duties and Taxes. Also the Beer Excise Duty and the following items have to be added under Head II: Sugar Excise Duty, Tea Excise Duty and Tobacco Excise Duty. It also accounts, Sir, for the alteration under Head XI, Reimbursements, of Uganda's contribution on account of Customs.

The second point, Sir, is that under Head II, hon. Members will find Licensing of Insurance Companies to be increased to £2,000, and Licensing of Shipping Agencies to be deleted. I am giving away no secrets I am sure when I say that the licensing of shipping companies has always been a most unpalatable suggestion to make to hon. Members, and Government has decided, for the time being at least, Sir, to proceed no further with that. As hon. Members are aware, Your Excellency has appointed a committee to examine another aspect of imposing taxation on those who go down to the sea in ships, and it may be that as a result of the report of that committee larger amounts of revenue will be realized than could possibly be realized under a small tax such as this. We do not therefore propose to proceed, for the moment at least, with the licensing of shipping companies. The estimated revenue from the tax on insurance companies was underestimated, and it is now inserted at £2,000. As hon. Members are aware, a measure to give effect to that form of taxation is on the Order Paper of to-day in the guise of an amendment to the Traders' Licensing Ordinance.

The next point I would draw attention to is under Expenditure, Head III, Agricultural Department, and consists merely of two changes of title. "Deputy Director (Animal Industry)" is a title which has been introduced in consequence of the fusion of two departments into one to correspond with the similar nomenclature of "Deputy Director (Plant Industry)," but it is necessary, Sir, primarily for statutory reasons, to retain the title of "Chief Veterinary Officer." The Chief Veterinary Officer, as Members are aware, is by statute the officer charged with the fulfilment of a large number of statutory duties and with many statutory responsibilities, and therefore we have to retain the title. It is now proposed to give the title to the new office of "Deputy Director (Animal Industry) and Chief Veterinary Officer." At the same time, opportunity has been taken to give effect to the expressed wishes of Elected Members by doing away with the post of Deputy Chief Veterinary Officer and substituting therefor the post of Assistant Chief Veterinary Officer.

The fourth and last point, Sir, is under the Military vote. Hon. Members will recollect that in the course of the Select Committee the suggestion was made that Appendix M,

the lump sum, block military vote, should be subject to a deduction of £10,000, in the light of the contribution to be made by the Government of the Sudan. That, Sir, is not being altered in any way, but the particular form in which it was put up does not comply with the requirements of the Government system of accounting. It is necessary to show the £10,000 on the revenue side and to make a corresponding alteration on the expenditure side. Therefore hon. Members will find the Sudan contribution under Reimbursements on the revenue side, Head XI, and a corresponding deduction in the case of Appendix M, the block military vote.

The sole remaining point is also a change of title under the head of Prisons: Item 7 becomes "Chief Officer," which conforms with the terminology used, not as the notice of motion states in Chapter 37—that has been repealed—but in the Prisons Ordinance of 1930.

I beg to move.

THE HON. THE TREASURER: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is—

"That the draft Estimates of Revenue and Expenditure for the year 1932 be approved as amended by the Official Recommendations contained in the Report of the Select Committee and further amended as follows:—

#### REVENUE.

##### Head I.—Customs.

###### Class 1.

Wines, Ale and Beer: To be increased from £25,000 to £28,000.

Other Food and Drink: To be increased from £45,000 to £45,750.

###### Class 3.

Cotton Yarns and Manufactures: To be increased from £105,000 to £106,250.

Oils, Fats and Resin Manufactures: To be increased from £100,000 to £103,000.

Miscellaneous Goods: To be increased from £150,000 to £150,500.

Total Customs Revenue: To be increased from £762,679 to £781,170.

##### Head II.—Licences, Duties and Taxes.

Beer Excise Duty: To be increased from £2,500 to £4,500.

Licensing of Insurance Companies: To be increased from £1,500 to £2,000.

The following items to be added:—

Sugar Excise Duty: £10,000.

Tea Excise Duty: £4,500.

Tobacco Excise Duty: £500.

The following item to be deleted:—

Licensing of Shipping Agencies: £500.

Total Head II: To be increased from £982,696 to £999,696.

##### Head XI.—Reimbursements.

Item 1.—Uganda Government on account of Customs:

To be reduced from £18,102 to £17,384.

The following item to be added:—

Sudan Contribution towards Military Expenditure in Turkana: £6,190.

Total Head XI: To be increased from £954,220 to £959,632.

#### EXPENDITURE.

##### Head III.—Agricultural Department.

Item 88.—The title of the office to be changed to 'Deputy Director (Animal Industry) and Chief Veterinary Officer.'

Item 94.—The title of the office to be changed to 'Assistant Chief Veterinary Officer.'

##### Head XVI.—Military.

Item 1.—Northern Brigade, Kenya's share of expenditure: To be increased from £81,181 to £87,311.

Total Head XVI: To be increased from £91,198 to £97,258.

##### Head XXII.—Prisons.

Item 7.—The title of the office to be changed to 'Chief Officer' to conform with the provisions of the Prisons Ordinance, 1930.

##### Appendix M to the Estimates.

Page 147.—The following to be deleted:—  
'Less Contribution from Sudan Government: £10,000.'

Total Military: To be increased from £132,433 to £142,432. Kenya share to be increased from £81,181 to £87,311. Uganda share to be increased from £51,251 to £55,121."

Will those in favour say "Aye."

THE HON. T. J. O'SHEA: I take it the question is open to discussion?

HIS EXCELLENCY: Quite. I have no intention of standing in the way of discussion; it was my mistake.

THE HON. T. J. O'SHEA: Apparently, Sir, it is not going to result in very much discussion, and possibly it would not have drawn even a remark, had it not been for the challenging nature of the statement just made by the hon. the Acting Colonial Secretary. I should like, as this motion gives me an opportunity of doing so, briefly to reply to it. He has characterized the debate on this side of the House during the past few days on these Estimates as entirely destructive. Quite so. The purpose of the debate, so far as this side of the House was concerned, was to endeavour to destroy the case put up by Government in these Estimates. The constructive case of the Elected Members was put up to Government in Select Committee and turned down, so I ask this House what other purpose could we possibly have in view during the past few days than of trying to destroy the case made out by Government? It had, of necessity, to be so.

There is another personal matter: I was rather twitted for having suggested in the battle of the finances of Government that I should endeavour to deprive it of a very necessary £50,000 by opposing the levy on official salaries. I did so, Sir, not because I wish Government to be short of £50,000 in its balances at the end of the year, but because I have pointed out to Government other ways by which that £50,000 could be saved without inflicting hardship on the Service as the levy will do.

I shall have pleasure in opposing the adoption of these Estimates as entirely inappropriate to the circumstances of the country in its present circumstances.

CAPT. THE HON. H. F. WARD: Your Excellency, I do not wish to detain the House long over a point that has already been raised in another debate, but my opportunity was twofold. One was to rise on a point of order, on a point of personal explanation, on the statement made by the hon. the Treasurer; the other was to raise quite briefly the point again now, which gives him an opportunity of replying and I think the House will admit the second course is the fairer.

On this question of employing loan balances, the hon. the Treasurer in his opening statement, as we understood him on this side of the House, put the position as follows: The estimated surplus balances at the 31st December will be £310,000; the working capital required is £420,000; leaving a deficit in cash of £110,000, which he stated would be found from temporary borrowings. Later on in his speech he said that he could this day—that is to say, the 9th December—produce the whole of the loan balances of £266,000 odd in cash, if he was required to do so. What he did not tell us was where this cash deficit of £110,000 is going to be met from on the 31st day of this month. Sir, my name was used in connexion with the words "misguidance" and "misinformation."

THE HON. THE TREASURER: On a point of order, I did not mention the hon. Member's name in that connexion.

CAPT. THE HON. H. F. WARD: I am sorry if I misunderstood him, but he came very close to mentioning the name of the hon. Member for Nairobi North there.

THE HON. THE TREASURER: That was in a previous sentence.

CAPT. THE HON. H. F. WARD: I accept the hon. Member's assurance on that particular point. I think people have been misguided and misinformed generally.

Sir, the chief difficulty about his statement was that I could not see that it was in any way different from the statement that I made two days ago. He seemed to agree with me exactly. His interpretation of whether it was right or wrong was certainly different, and he did excuse it on the grounds of its being a common practice, although it was bad business and unsound finance; but I am very glad he did not justify it in terms of commercial practice.

Sir, the case was built up by the following extracts from the Report which we both signed. I will read, I think, the first extract:—

"The proposal is to conserve a portion of the Loan balances to support the Colony's cash position. Both Official and Unofficial Members realize the objections to this course, but they recognize the exceptional circumstances which call for this action.

"Elected Members stated: 'In view of the fact that the Government has allowed the finances of the Colony to show a large deficit for 1931, Elected Members see no alternative to the credit balance of £266,708 in the Loan



Works Building Fund being held as a cash reserve, provided that Government gives a definite undertaking that the necessary economies will immediately be brought into effect so as not only to balance the 1932 Budget but also to make up the sum of approximately £110,000, which is the probable amount required to balance the country's cash position at the end of 1931. That then the loan money shall be available to be spent on the purposes for which it was originally voted."

I am not clear, Sir, whether his case was that in 1931 loan balances would not be required or whether his case is that 1931 loan balance will be required, but the case is quite clear that they may possibly be required in 1932. That point I hope definitely he will clear up. If there has been any misguidance or misinformation on that point, then I can only suggest that hon. Members on this side of the House have not so far been placed in possession of the full facts, but I do submit that our contention that they will be required in 1931, and possibly required in 1932 as well, is a fair one. In support of that, Sir, the Nairobi Chamber of Commerce has been supplied with almost more information than we have. I have not attended that meeting. I have not attended any meeting before, or discussed this question with anybody present at that meeting, and here is the opinion of a quite independent body of men who had similar information:—

"That this Chamber regards with the greatest apprehension the precedent set by the Government in their proposal to use loan moneys borrowed on a prospectus for purposes of definite development, towards making good under-estimations of revenue, and thus making up the shortage of cash required to meet the ordinary working needs of the Treasury. This procedure is highly unbusinesslike, and is furthermore calculated to have an adverse effect on the Colony's prospects of securing further loans on favourable terms."

That, Sir, in other words, is practically the same as we have said on this particular subject on this side of the House.

LT.-COL. THE HON. J. G. KIRKWOOD: There is just one more point I would like to make, Sir. I should like to refer to what the hon. the Acting Colonial Secretary called "destructive criticism." The hon. the Acting Colonial Secretary said that the criticism from this side of the House was in the nature of destructive criticism, and he quoted one or two instances in which he considered it was destructive. I would point out that I drew attention to the numerous recommendations put up by the Elected Members on the Select Committee which I considered and which I thought were looked upon as

constructive suggestions. He also followed that up, Sir, by saying that it was the Government's intention to investigate the recommendations and follow them up. Surely you are inconsistent if you are going to follow up destructive suggestions in the Select Committee's Report.

LT.-COL. THE HON. C. G. DURHAM: I was taken to task, Sir, for suggesting that Government had instructed its revenue-collecting officers to put up a figure as if we were dealing with normal times. I still think so, Sir. I have reason to think so, and I collected that particular information in Select Committee.

THE HON. THE TREASURER: Your Excellency, I would like to say that a definite charge of indirect misappropriation of loan funds raised in London definitely on a prospectus for purposes of development has been made. I think I have said enough to satisfy anyone with a knowledge of finance as to where the money is to come from to meet a possible deficit at the end of the year. It can probably be made up by temporary borrowings from deposits, or as an overdraft from the bank on revenue assets of £420,000. I do not think, Sir, that I can make the position any clearer than I have.

HIS EXCELLENCY: The question is—

"That the draft Estimates of Revenue and Expenditure for the year 1932 be approved as amended by the Official Recommendations contained in the Report of the Select Committee and further amended as follows:—

#### REVENUE.

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Total Customs Revenue: To be increased from £762,879 to £761,170.

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The following item to be deleted :—

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**Total Head II :** To be increased from £982,696 to £999,696.

**Head XI.—Reimbursements.**

Item 1.—Uganda Government on account of Customs :

To be reduced from £18,102 to £17,384.

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Sudan Contribution towards Military Expenditure in Turkana : £6,130.

**Total, Head XI :** To be increased from £954,220 to £959,632.

## EXPENDITURE.

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**Head XXII.—Prisons.**

Item 7.—The title of the office to be changed to 'Chief Officer' to conform with the provisions of the Prisons Ordinance, 1930.

**Appendix M to the Estimates.**

Page 147.—The following to be deleted :—

Less Contribution from Sudan Government :  
£10,000.

**Total Military :** To be increased from £192,432 to £142,432. Kenya share to be increased from £81,181 to £87,311. Uganda share to be increased from £51,251 to £55,121."

The question was put and carried by 20 votes to 10 :—

**Ayes.**—Messrs. Bemister, Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Leakey, Messrs. Logan, MacGregor, Rushton, Wade, Walsh, Col. Watkins, Mr. Welby, Col. Wilkinson.

**Noes.**—Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

*The Council adjourned till 10 a.m. on Thursday, the 10th December, 1931.*

THURSDAY, 10th DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Thursday, the 10th December, 1931, His Excellency the Governor (BRIGADIER-GENERAL SIR JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

#### COMMUNICATION FROM THE CHAIR.

##### MAGADI SODA COMPANY.

HIS EXCELLENCY: Honourable Members, I have a communication from the chair to make in regard to the Magadi Soda Company. I am making it to-day because there is a meeting in London to-day of the debenture holders.

Honourable Members will recollect that on the 2nd April, 1930, Sir Edward Grigg made a statement in Legislative Council upon the relations of the Colony and Transport Administration with the Magadi Soda Company. This statement concluded with the words "We have arrived at an agreement with the Company in regard both to railway rates and royalty which should not mean any loss of revenue for the Colony, and when the new machinery is established we have good reason to hope the export of soda will go up and perhaps exceed 100,000 tons annually."

I regret to report that since August last the position has altered considerably for the worse. The facts are as follows: The leases to the Company stipulated for a programme of increased output which in fact it failed to carry out, and the Company asked for a revision of this stipulation. In reply it was informed that revision was resisted by this Government, this Government holding the view that any question of default should be dealt with if and when it arose. Contraction of the market decreased the Company's prospects of being able to carry out its obligations, and Messrs. Imperial Chemical Industries proposed supporting the Company. Prolonged negotiations have taken place with the interested parties, and have resulted in the grant of a moratorium for ten years, of which the main conditions are that during its currency there should be a guaranteed payment of £10,000, and that Government should be at liberty to terminate the leases and to dispose of the Company's assets at twelve months' notice if there should be a genuine offer backed by adequate resources, with

the proviso that the Magadi Company is first given an opportunity to resume operations. I cannot say that the position is satisfactory; it has been dictated by world market conditions, and in the regrettable circumstances I think the most favourable terms have been secured.

It is realized that the Transport Administration has expended considerable sums of money, particularly in providing rolling stock on which loan charges and depreciation must be paid, in connexion with the soda industry in this Colony, and that the Railway Administration has also suffered considerable freight losses during the working of the leases. In the circumstances, it is only fair that the greater part of the payment of £10,000 per annum by the Company should be credited to Railway funds, but at the same time it is regarded as essential that the Colony's interest in the lease and in the royalties payable should be represented by a portion of the payment being taken into the Colony's revenue. It is proposed that the provision should be £9,900 to the Transport Administration and £100 to the Colony. This does not, of course, in any sense represent a mathematical assessment of the respective claims of the Colony and Railway.

**THE HON. T. J. O'SHEA:** Your Excellency, arising out of that statement, may I ask whether a statement will be made, perhaps before the session closes, as to what effect the arrangement will have on the finances of the Colony for 1932?

**THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.):** As a rule there is no statement arising from a communication from the chair.

**THE HON. T. J. O'SHEA:** I am just claiming, if Your Excellency will allow me, to ask for a statement.

**THE HON. THE ACTING COLONIAL SECRETARY:** With the indulgence of the House, Your Excellency, I can state as well this morning as at any time before the conclusion of the session that there is included in the Estimates of Revenue for the year £2,000 in respect of Government's anticipated revenue from this Company. That amount, in consequence of the statement which Your Excellency has just made, will be reduced to £100, plus an unestimable sum. That sum is unestimable, Sir, for the reason that the Company is still continuing to fulfil certain contracts, and it is impossible for us to ascertain at the moment exactly how large those contracts are, how far into 1932 they will go, and what the normal revenue yield from them will be. There may be, at the very worst, an anticipated shortfall of revenue of £1,000, but we anticipate it will be considerably less than that, if any at all.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Is the hon. the Commissioner of Customs' estimate to be affected by this? He must have budgeted for a certain amount of imports on behalf of that Company.

**THE HON. THE COMMISSIONER OF CUSTOMS (MR. G. WALSH):** I think this matter has been investigated and it was envisaged at the time the revised estimates were framed. In the good times, the Magadi Soda Company paid Customs duties to an amount of about £2,000 a year.

**HIS EXCELLENCY:** I imagine they have in hand considerable contracts now, but I do not think the revenue accruing to us is going to be so very great. I may mention that I am shortly going to visit Magadi.

#### MINUTES.

The minutes of the meeting of the 9th December, 1931, were confirmed.

#### PRESENTATION OF PETITIONS AND MEMORIALS. ENTERTAINMENTS TAX.

**THE HON. F. A. BEMISTER:** Your Excellency, I have the honour to beg leave to present a petition from over 500 people in Mombasa and 35 from Nakuru in connexion with the proposed Entertainments Tax.

**COL. THE HON. W. K. TUCKER:** On a point of order, Your Excellency, should not the hon. Member state that the petition is properly and respectfully worded?

**HIS EXCELLENCY:** Standing Order No. 16. The hon. Member is correct.

**THE HON. F. A. BEMISTER:** Your Excellency, in my opinion the petition is properly and respectfully worded.

**THE HON. THE ACTING COLONIAL SECRETARY:** If I may refer the hon. Member for Mombasa to No. 17 of Standing Rules and Orders, he will see the alternative form of motion. A petition may be ordered to lie on the table, to be printed or referred to a committee.

**THE HON. F. A. BEMISTER:** I am so sorry, Sir. I only learn rules by breaking them, but I wanted to present it to Your Excellency for your consideration and the consideration of the House.

**HIS EXCELLENCY:** It is ordered to be laid on the table. I take it?

**THE HON. F. A. BEMISTER:** If that is correct, please.

## PAPERS LAID ON THE TABLE.

The following paper was laid on the table:—

By THE HON. THE DIRECTOR OF AGRICULTURE (MR. A. HOLM).  
Report of the 1931 Locust Invasion of Kenya (January  
1st to August 31st).

## NOTICE OF MOTION.

THE HON. THE ACTING COLONIAL SECRETARY: Your  
Excellency, I beg to give notice of the following motion:—

"Be it resolved that this Council hereby approves  
the expenditure of a sum of £8,950 upon the purpose  
specified in the Schedule hereto as a charge against Loan  
Account and further approves the provision being made  
therefor by a reallocation of the amount from—

## Communications:

Feeder Roads ... ..	£5,450
Makupa Causeway ... ..	3,500
	£8,950

## Schedule.

## Communications:

Road Survey of the Colony ... ..	£8,950
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## ORAL ANSWERS TO QUESTIONS.

## EXPORT TRADE IN EGGS.

THE HON. T. J. O'SHEA asked:—

"1. Whether Government is aware (a) of the substan-  
tial increase that has been effected in the production of  
first quality eggs with a view to providing a surplus for  
export; (b) of the improvement in the quality of native  
eggs?"

2. What steps have been taken or are contemplated  
by Government to test the possibilities of developing an  
export trade to Great Britain in either first quality eggs  
for table use or egg products for manufacturing and cook-  
ing purposes, or both?"

THE HON. THE DIRECTOR OF AGRICULTURE: The reply to  
part one of the question is in the affirmative.

For some time past the Department of Agriculture has  
given close attention to the development of the poultry in-  
dustry, in collaboration with the Kenya Poultry Club, and has  
also made special efforts to improve poultry husbandry in the  
Native Reserves.

A comprehensive memorandum by officers of the Depart-  
ment of Agriculture on the development of the poultry industry  
has been prepared and will be published shortly.

2. As regards the second part of the question, it is con-  
sidered that, as a first step, full use should be made of the  
opportunities presented by securing "ship stores" trade at  
Mombasa. Steps to this end are being taken by organized  
poultry keepers in consultation with the Department of Agri-  
culture.

The Department is in possession of full information with  
regard to the export trade in eggs—grading, marketing, etc.,  
and that information has already been communicated to  
parties interested in testing the export market.

## BOARD OF AGRICULTURE.

LT.-COL. THE HON. LORD FRANCIS SCOTT asked:—

"Will Government state immediately their intentions  
with regard to resuscitating the operations of the Board  
of Agriculture?"

THE HON. THE ACTING COLONIAL SECRETARY: The ques-  
tion of the reorganization of the Board of Agriculture on  
broader lines, so as to be representative of the plant and  
animal industries and not overlap with consulting committees  
and also of agriculture at the Coast and of Indian and African  
agriculture, is at present engaging the attention of Govern-  
ment.

A detailed scheme dealing with the composition and pro-  
cedure of the Board will be considered at a special meeting of  
Executive Council before the end of the year.

THE HON. T. J. O'SHEA: Arising out of that answer, may  
I ask whether the late members of the Agricultural Board  
are being consulted in the matter?

THE HON. THE ACTING COLONIAL SECRETARY: I am afraid  
I shall require notice of that question.

HIS EXCELLENCY: The matter is coming up before Execu-  
tive Council.

THE HON. THE ACTING COLONIAL SECRETARY: The ques-  
tion of personnel, so far as I am aware at the moment, has  
not fallen for detailed consideration; it is more the detailed  
consideration of the scope and machinery of the Board as  
reorganized.

**THE HON. T. J. O'SHEA:** May I ask whether the work done by the late Board of Agriculture does not justify Government in consulting them in the matter of its reorganization?

**THE HON. THE ACTING COLONIAL SECRETARY:** I hope I shall not be taken, Sir, as having answered the hon. Member's last question in the negative. I cannot give an answer, Sir. What I said was that I should have to have notice of it.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Do I understand the answer to be that Government is so unappreciative of the work done by the Board that they consider it necessary to reorganize it?

**THE HON. THE ACTING COLONIAL SECRETARY:** By no means, Sir. On the contrary, the terms of my answer are that it has been reorganized on broader lines so as to widen the scope.

**THE HON. T. J. O'SHEA:** Arising out of that answer, may I have his answer to my query, as to whether the hon. Member

**HIS EXCELLENCY:** I think the hon. Member is going beyond the limits of a supplementary question—the question was a definite question, which has been answered.

**THE HON. T. J. O'SHEA:** Perhaps I am not clearly understood. I will explain myself differently. I wish to ask the hon. Member whether he can say or not that the members of the late Agricultural Board have been consulted or not?

**THE HON. THE ACTING COLONIAL SECRETARY:** I am unable to say that, Sir.

**THE HON. T. J. O'SHEA:** Extraordinary.

## BILLS.

### SECOND READINGS.

#### THE TRAFFIC (AMENDMENT) BILL.

**HIS EXCELLENCY:** Progress has been reported. Does any hon. Member wish to address the House on the second reading of this Bill?

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, I did not speak the other day on this Bill.

With regard to the original portions of it, I wish to support them. But, Sir, when it comes to the question of this tax of an extra Sh. 5, I should like to reiterate what we said before we heard Government's proposals for the year as having refused to agree to any of our suggestions for curtailment of expenditure. That being so, I must oppose this increase of taxation.

I should like to point out also, Sir, that though it is said this is a common practice in all other countries, the only other country which I know where it is so is Great Britain. But there is an extra charge of Sh. 30 which pertains here before anyone can get a licence to drive a car at all, so actually it makes the fees payable here higher than in Great Britain.

**THE HON. T. J. O'SHEA:** Your Excellency, I am sorry to have appeared backward in getting up to speak against this Bill. It is one, as I understand it, in which it is proposed to levy an annual tax for a motor driver's licence.

I should like to register a strong protest against this tax being introduced at the present time. Firstly, Government has not taken into account that a motor car is practically a necessity in this country, and that in consequence practically every adult member of a family possessing a car is the holder of a licence. In consequence, the imposition of this tax will mean not an extra Sh. 5 on a family, but an extra Sh. 5 on almost all the other members of a family. In my opinion, that being the case, Government has very much under-estimated the amount of additional revenue that will be collected from this source. I will not go so far as to say that Government has deliberately under-estimated the amount so as to make the Bill less unpalatable, but that not being the case, it seems to me that Government has been very careless indeed in its estimate of the revenue likely to be derived, and I oppose the passage of the Bill.

**HIS EXCELLENCY:** If no other hon. Member wishes to speak I will call upon the hon. member to reply.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I do not think there is anything to reply to on this occasion. We differ, we differ radically and conscientiously, and nothing I can say will impress the minds of hon. Members on the other side of the House.

**HIS EXCELLENCY:** The question is that the Traffic (Amendment) Bill be read a second time.

The question was put and carried by 18 votes to 11.

**Ayes.**—Mr. Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Leakey, Messrs. Logan, MacGregor, Rushton, Wade, Walsh, Welby, Col. Wilkinson.

**Noes.**—Mr. Bemister, Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

## THE ENTERTAINMENTS TAX BILL.

HIS EXCELLENCY: Progress has been reported. Is there any hon. Member who has not already spoken who wishes to speak?

I will call upon the hon. mover.

THE HON. THE ACTING COLONIAL SECRETARY: I have nothing to reply, Sir.

HIS EXCELLENCY: The question is that the Entertainments Tax Bill be read a second time.

The question was put and carried by 18 votes to 11.

*Ayes.*—Mr. Biss, Major Brassay-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Lenkey, Messrs. Logan, MacGregor, Rushton, Wade, Walsh, Welby, Col. Wilkinson.

*Noes.*—Mr. Bemister, Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Saliin, Col. Tucker, Capt. Ward.

## SUSPENSION OF STANDING ORDERS.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, with your leave, Sir, and with the leave of the Council, I beg to move that Standing Rules and Orders be suspended to enable the following four Bills—

The Professional Licensing Bill,

The Duty on Loan Capital Bill,

The Traders' Licensing (Amendment) Bill, and

The 1932 Appropriation Bill,

to be taken further than under Standing Rules and Orders they could otherwise be taken at this meeting.

My reason for departing from the strict wording of the motion which hon. Members will see in the Order Paper is that I understand that in respect of the first three of these measures Elected Members are anxious that those Bills should be referred to Select Committees. It was always the intention, Sir, in so far as the first of those Bills—the Professional Licensing Bill—was concerned, that that should be referred to a Select Committee. That was the recommendation of the Select Committee on the Estimates, Sir, and it was always intended to give effect to that resolution. It had not been contemplated, Sir, that it would be necessary to send the second and third of those measures to Select Committees, but in view of the fact that Elected Members are anxious that

that course should be adopted, I have Your Excellency's authority to state that all these three measures, if they are accorded a second reading to-day, will be referred to Select Committees.

The fourth measure, which is the ordinary statutory implementation of the activities of the last three days in this Council, I suggest should be taken through all its stages to-day in the ordinary course.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second.

HIS EXCELLENCY: The question is that Standing Rules and Orders be suspended to enable—

The Professional Licensing Bill,

The Duty on Loan Capital Bill,

The Traders' Licensing (Amendment) Bill, and

The 1932 Appropriation Bill,

to be taken further than under Standing Rules and Orders they could otherwise be taken at this meeting.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, on behalf of Members on this side I wish to enter a protest against the number of times which during this session we have been asked to allow Standing Rules and Orders to be suspended. With reference to the first three of these Bills, I cannot see there is any reason why they could not have been put down in sufficient time to enable them to be taken through their proper stages during the course of this session. We are like a permanent minority on this side, we are like worms under the pressure of the steam-roller, and we get crushed out on every occasion; but we do feel rather jealous of the small amount of privileges which we have obtained, and so on the occasions when Standing Rules and Orders are to be departed from we consider it should only be done on very urgent occasions, such as the change in Customs duties and matters of that sort, which obviously have to be put through in one day. As far as I am concerned, Sir, having made my protest, I am not going to oppose this motion, because two of these Bills, the first and the third, we had before agreed to in principle, and I believe it is for the convenience of the House and the country at large that they should be taken through their early stages to-day under suspension of Standing Orders up to the second reading, as the hon. and learned mover has agreed that they should be referred to Select Committees for thorough investigation. With regard to the fourth, that is merely a formal matter which follows on what we have been doing the last two or three days, Sir, and that is a matter which I am afraid we must wash our hands of, as we have explained before in the previous debate.

THE HON. T. J. O'SHEA: Your Excellency, I should like it to be understood that I am opposing this motion without any reference to my personal views on the Bills the introduction of which makes this motion necessary. I am doing it as a matter of principle. It has been the accepted policy of this House, except on unquestionable occasions, by Government as well as by Elected Members and all Unofficial Members, that the suspension of Standing Orders should be the rarest thing possible, and that there should be full justification for it. In this case there is no justification whatever. Particularly as regards taxation measures it has always been the policy of the Government of this country that they should not be rushed through. The idea now appears to prevail, however, that Standing Rules and Orders are merely intended for the convenience of this House. I suggest that is certainly not the case, because the convenience of this House, the convenience of the Government and the convenience of Unofficial Members is a very subsidiary matter in connexion with these Standing Rules and Orders; they are primarily intended to safeguard the rights of the public, and it is very largely for the purpose of safeguarding the rights of the common citizen of this country that these Standing Rules and Orders have been framed. One of them distinctly lays down that a Bill must be published for public information for not less than fourteen days before its introduction into the House. When it is a new taxation proposal, it is very necessary indeed that the public should get at least that fourteen days' notice in which to consider the matter. The one exception that is agreed to is in connexion with the Customs duties. The urgency and the need for the suspension of Standing Orders in that case is well understood by the public as well as by the House, and it is not objected to, but in connexion with measures such as these there is no justification for depriving the public, the ordinary plain citizen, of the right he undoubtedly possesses under our constitution to have reasonable time in which to consider Government's proposals for fresh taxation. I say that in these cases no plea of urgency can be justified. It has been stated more than once in recent weeks that some of these Bills were drafted some time ago, and it is not sufficient, I consider for Government to plead studying the convenience of the House and the convenience of Members on this side. I suggest to Government that it is possibly just as dangerous always to agree with the advice of Members on this side, when that advice happens to coincide with Government's wishes, as it is dangerous to disagree always with advice from this side of the House when it happens to be opposed to Government's wishes in that matter. I have the strongest possible objections to these Bills being passed under the suspension of Standing Orders, and I oppose the motion.

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LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I wish to associate myself with the two hon. Members who have spoken on this side of the House.

LT.-COL. THE HON. C. G. DURHAM: I desire to support the hon. Member for Plateau South, Sir.

THE HON. THE ACTING COLONIAL SECRETARY: May I, Sir, make a suggestion to the House which I have just made to Your Excellency. In view of the fact that three of these measures are going to Select Committee Government is prepared, if hon. Members will take the first reading to-day, to defer the second reading of these measures until to-morrow morning.

THE HON. T. J. O'SHEA: If that suggestion is put forward with the idea of placating my opposition I am afraid it does not meet the case.

THE HON. THE ACTING COLONIAL SECRETARY: I can assure the hon. Member I could never hope to do that, Sir.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of order or information, may I say that I do not quite understand the situation. If the second reading of these Bills is taken to-morrow what will be the value of referring them to Select Committee? I should have thought we should take the first readings to-day refer them to Select Committee, and then take the second readings when Government has information from the debate.

THE HON. THE ACTING ATTORNEY GENERAL: A Select Committee follows the second reading. A Bill can only be committed after the second reading.

HIS EXCELLENCY: I do not know whether hon. Members desire to get on with the Bills this morning or adopt the procedure suggested by the Acting Colonial Secretary?

LT.-COL. THE HON. LORD FRANCIS SCOTT: I have stated my views, Your Excellency, that I was not going to oppose this. I made my protest on the matter of procedure and I was not proposing to oppose going on with the Bills. I think they are well known. I understand from my hon. friend on the left (the hon. Member for Plateau South) that the point does not meet his objection but I do not think it makes much difference.

HIS EXCELLENCY: The question is that Standing Rules and Orders be suspended in order to enable—

The Professional Licensing Bill;

The Duty on Loan Capital Bill;



The Traders' Licensing (Amendment) Bill; and  
The 1932 Appropriation Bill;

to be taken further than under Standing Rules and Orders they could otherwise be taken at this meeting.

The question was put and carried by 24 votes to 4.

*Ayes:* Messrs. Bemister, Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Leakey, Messrs. Logan, MacGregor, Major Robertson-Eustace, Mr. Rushton, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Messrs. Wade, Walsh, Capt. Ward, Mr. Welby, Col. Wilkinson.

*Noes:* Capt. Cotter, Col. Durham, Col. Kirkwood, Mr. O'Shea.

*Declined to Vote:* Mr. Harvey.

## BILLS.

### FIRST READINGS.

On motion of the hon. the Acting Colonial Secretary the Professional Licensing Bill was read a first time.

On motion of the hon. the Acting Colonial Secretary the Duty on Loan Capital Bill was read a first time.

On motion of the hon. the Acting Colonial Secretary the Traders' Licensing (Amendment) Bill was read a first time.

On motion of the hon. the Acting Colonial Secretary the 1932 Appropriation Bill was read a first time.

### SECOND READINGS.

#### THE PROFESSIONAL LICENSING BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that the Professional Licencing Bill be read a second time.

Reference to paragraph 10, Sir, of the Report of the Select Committee on the Estimates for 1932, will show that during the course—and late in the course of the discussions of that Committee the suggestion was made, and stands in the name of the Committee as a whole, that the possibility of imposing a tax on those practising professions in the Colony should be explored, that a Bill should be introduced during this present session of Council, and that that measure be referred to a Select Committee for examination in detail. The Bill now in the hands of hon. Members, Sir, was prepared in consequence of and in cognizance with the recommendations of that paragraph. It is a skeleton measure, Sir—it does not purport to be complete—it purports to be nothing more than

tentative. It must necessarily be so, Sir, in so far as it has always been the wish, the expressed wish, of hon. Members who have signed the Report of the Select Committee and the Government, Sir, that it should be referred to a Select Committee. Such reference, Sir, is necessary because the measure does raise very difficult, very contentious, very debatable issues. The form of the Bill, Sir, as placed before the House is short and simple, Sir. There is the usual interpretation clause. The exercising or practising of any of the prescribed professions without having been duly licenced is provided for in the Bill. There is provision that where two or more qualified members of a profession are in partnership the licence is taken out by each one of them. There is provision in clause 5 for a licence fee. That again is only tentative; that is essentially one of the major matters to which the Select Committee must direct its attention. There is the ordinary saving clause in clause 6 that the taking out of a licence does not in itself authorize the practice of a profession to which the man does not legally belong, and in clause 7, Sir, there is provision for Government officials except in so far as they are in receipt of private practice from the practice of their professions. Then, Sir, comes the schedule.

Now, Sir, I have endeavoured to indicate that this is a measure that raises very contentious issues and if I may indicate further, Sir, what I regard will be the debatable matters which will arise in Select Committee on a measure such as this I would take as an example one of the provisions appearing in the schedule, the practice of medicine. Hon. Members will appreciate—and this is perhaps typical of many other provisions; I am not taking it as in any way dissimilar from the difficulties that will arise in considering other cases—hon. Members will appreciate that the question of taxation of medical men, registered medical practitioners in this Colony, is by no means as easy as it at first sight appears. We have, for instance, certain medical men living in this Colony on medical farms, getting land under a title held from the Crown with a specific covenant that so long as they occupy that land they must practice their professions. That is a most excellent scheme, Sir, in the interests of settlement in the more remote parts of the country. It is a scheme which was devised specifically to attract medical men to settle where there were other settlements close to them so that those who lived in the more outlying parts of the country might have medical services. It is a question which will arise for consideration in Select Committee as to whether it is equitable to impose any licencing fee in such a case as that. Then, Sir, there is the question of mission doctors. You have the difficulty of gentlemen who have had brilliant professional careers in England who have come out here primarily to settle but who

are willing to devote their very great professional attainments to their interest of the inhabitants of this country—consultants and men like that. The practice of their profession is a subsidiary matter to them, but to the ordinary inhabitant of the country it is a matter of primary importance. The question will arise as to whether it is equitable in all the circumstances to impose a licencing fee when possibly the imposition of such a fee would mean that such people would no longer wish to practice.

I have taken the question of 'one profession only, not because I want to preach any counsel of despair, but merely to indicate that the work of the Select Committee on this Bill is certainly not going to be easy. Government feels profoundly that a matter like this cannot be rushed, must not be rushed. It was my desire, Sir, to make a short exposition, chiefly on the lines of the great difficulty that the Select Committee will probably encounter and I do hope, Sir—and I know, Sir, that no matter what the composition of that Select Committee is, so long as it is chosen from the hon. Members of this House I do know that full opportunity will be given to representatives of all professions to come forward and state their views. In the particular circumstances of this case, Sir, I feel there is no need for me further to trench on the time of hon. Members. Full consideration in detail will be given and I will therefore formally move the second reading.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second the motion.

**HIS EXCELLENCY:** The question is that a Bill to impose a Tax on Persons Practising Certain Professions within the Colony be read a second time.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, I am in favour of the general principle underlying the object of this Bill. It is often said here, and especially by the advocates of income tax, that the people who come under this category of professions do not pay their fair share towards the revenue of the country as they should do. I do think, Sir, that it is only right and equitable that a method of imposing something on those lines should be applied. I can also say, Sir, that I have heard from representative people of several of these professions who are affected that they are perfectly ready to welcome some such form of taxation provided it is very carefully gone into and provided that the different circumstances of their various professions are most fully investigated. For instance, Sir, I understand the lawyers of the country think that the right way, if they are to pay more,

is that it should be done through the Chief Justice. At present they pay a fee of £3 a year I understand which goes through the Chief Justice to the revenue of the country. They feel the proper way is to increase that fee rather than bring them under this Bill. The architects of the country feel that something of this sort should also be linked up with the registration of architects practising their profession here, and so on, Sir, with the various professions which will be affected by this.

There is another point, Sir. In some of these professions you may get a man who is already paying his trading licence, and so on, and yet he is a land agent. I do not think it would be fair that he should have to pay his full trading licence and also a full tax under this Bill for practicing that profession.

Accountants do not want to pay a tax for everybody who is employed by a firm of accountants.

I am only putting forward these points in order to show, as the hon. Member said, the great difficulties which will be met with in Select Committee, and I agree with the hon. mover that that Select Committee will no doubt investigate each case very carefully and before the Bill appears again in its revised form no doubt it will be very different from what it is to-day.

**THE HON. CONWAY HARVEY:** Your Excellency, having signed the Select Committee's Report, I support this Bill in principle, more especially, Sir, as, in the words of the learned mover of the Report of the Select Committee, it does tend to equalize the incidence of sacrifice. The farmers of the country have already been called upon to make great sacrifices, Sir. Members of the Service will shortly be called upon to give up a portion of their emoluments and it is only right and proper that other sections of the community should also bear their share of the burden. Nevertheless, Sir, as previous speakers have said, these proposals bristle with difficulties, but where there is a will a way can be found and I am convinced that the Select Committee will find a way to give effect to these perfectly reasonable principles.

Now, Sir, I notice that in the process of moulting from the full title of the Bill to the short title "a tax" becomes "a licence." Now, Sir, a tax is usually referred to in connexion with revenue measures whereas a licence, in my humble opinion, Your Excellency, implies registration, a measure of control, and usually a certain amount of Government protection. It will be interesting, Sir, if the Select Committee will be good enough to investigate these aspects of the problem.

Now, Sir, in addition to the points made by the Noble Lord for detailed examination by the Select Committee, I should like to suggest that the definition of the term

"engineer" still requires very careful scrutiny, and in that scrutiny, Sir, the scrutineers might bear in mind the very numerous branches of industry which might be described as engineering, such as electrical, hydraulic, marine and mechanical engineers. I do support the motion and I sincerely trust the Select Committee will produce a Report which will meet with the unanimous acceptance of this House.

THE HON. T. J. O'SHEA: Your Excellency, if this piece of legislation were in any way what it purported to be I also would support the principle of it but inasmuch as it is not what it sets out to be, a Licensing Bill, but is in fact a taxation measure which does not give the protection a Licensing Bill would, I cannot give it my support in principle or in a single one of its details. It is the most inept piece of legislation that I have ever seen introduced into this House. To attempt, as the hon. mover has done, to throw the burden on the Select Committee of endeavouring to convert it into a piece of reasonable legislation is, I consider, straining the purposes of a Select Committee beyond their possible resources. This Bill has been introduced hastily because of a suggestion from somewhere by someone that it would help to even up the incidence of sacrifice in the country if a tax were imposed upon professional men—in fact, it is the outcome of the threat that if the salaries of the Civil Service were touched the only way to be fair about it was to impose an income tax, but because an effort to impose income tax at the present time would have evoked such considerable opposition that the Government could not face it an effort is being made to achieve the purpose of an income tax in some other way. I say that this Bill, instead of setting out to do what it purports to do will only have the effect of inflicting very considerable hardship indeed on very large numbers of people. I should like to re-emphasise that in no sense is this Bill a Licensing Bill. There are various professional men practising in this country who are anxious to see a Bill introduced that would protect them in the work of their professions. They object, and they rightly object, to unqualified people setting themselves up as being something that they are not fully qualified to be and the members of those professions are prepared to pay Government a reasonable fee for the protection that would be afforded them by a Licensing Bill but I reiterate that in no sense is this Bill a Licensing Bill and in no way would they have anything like the protection they want under this Bill. On the contrary, the introduction of this Bill or the passing of this Bill and its application in law in anything like its present form would create chaos in professional circles and in commercial circles. It is seriously suggested that every accountant, every

man who likes to call himself an accountant, who is earning his living in the work of accountancy, should pay a fee of £35. I wonder if Government has the remotest idea what that means. As the Bill is drafted every firm in this country that calls itself a firm of accountants have got to pay a tax of £25 for every member of their staff. Standing Rules and Orders necessitate that I should disclose any personal interest I may have in any matter that comes up—even though they are suspended I suppose that rule still holds good. May I suggest that under this Bill it is open to question whether a fee of £25 will not have to be paid by me because of an apprenticeship in a firm of accountants. Government—and I am afraid those outside Government circles—have run away with the idea that at the present time the professional classes, shall we call them, in this country are not contributing to the general sacrifice. May I entirely dissociate myself from that view and say that possibly no other class of the community is suffering so much as the professional classes. People, in considering our legislation here, have their eyes very much on Nairobi. They seem to think there are a few wealthy firms of advocates and accountants, and possibly a number of men of the medical profession, who are earning big incomes and that that is the position throughout the country of people in the same professions. May I urge upon Government that such is most certainly not the case and that there is more hardship being suffered by some of the people in these professions up-country than by possibly any other class with the exception of farmers. Some of these people have been absolutely deprived of their living and to impose taxation on them at the present time, as is proposed to-day, in addition to the other burdens heaped upon them in the last few days, is to treat them most unfairly indeed. I should like to urge upon Government this view that in imposing this extra burden upon them you are hitting indirectly the other people who are dependent upon them for their living. It may seem nothing to impose a tax of £25 on an advocate in this country—we all, of course, are under the impression they earn very big emoluments—but may I say that in the part of the country I have come from the first immediate effect would be the loss of employment by a number of clerks in the employment of advocates in that district. And in the same way in the matter of accountancy there are a large number of people in this country who could not possibly be registered under a Licensing Bill as accountants but who earn a living by the practice of accountancy and who are quite competent to do so in the way that is necessary in the outlying districts. You merely have your eyes on Nairobi. May I say that quite a large number of people calling themselves accountants, architects, engineers, land agents, surveyors, are men who manage

to eke out a living by practising in a minor way these callings. They do not in any way compete with the qualified people here in Nairobi but they perform a very useful function in the back blocks by doing work of that nature that we could not possibly have employed qualified licensed men to do, and by the passing of this Bill you are going to interfere to a very considerable extent indeed with the life of the European community outside Nairobi.

I should like also to draw the attention of the House to the fact that although this is a taxation measure Government has introduced it without making the slightest effort to compute the amount of money likely to arise from it. One of the justifications for it is that Government wants the extra money next year to ensure some reasonable balance over expenditure. That being the justification for the Bill—the one and only justification for its introduction—I say it is most improper that Government should introduce the Bill without giving the House some idea as to the amount of money it expects to realize from it. If Government had said £10,000, having taken some steps to ascertain whether £10,000 was likely to be realized, then possibly we could have done without some of the other measures of taxation that have been passed in the last few days. From every point of view this Bill is a bad Bill. It is the worst piece of legislation I have seen introduced in this House. Its introduction in this form is an insult to the House, and I am astonished that the hon. the Acting Colonial Secretary should have allowed himself to be made use of to the extent of introducing a Bill of this nature.

**CAPT. THE HON. J. L. COTTER:** Your Excellency, I have only a few things to say about this Bill. One is that in one or two directions I am afraid it is going to be used as a lever to close certain professions and to make certain trades into unions. I have just before me one point from the Society of Architects where I can see underlying that an effort to make that profession so that nobody can build a house unless he employs an architect—that is, if the inference is taken as I am sure it will be. Then again last night I happened to meet a land agent who consulted me in this matter and asked my opinion about it, and as far as I am concerned and as far as land agents are concerned I think they should be excluded from the Bill entirely because outside Nairobi practically every farm in this country is sold in the district where the farm belongs to. I may say that I myself in this connexion have actually drawn as a land agent £25. I think in twenty-five years here I have roughly drawn £1 a year. If this Bill comes in it simply discourages the sale of land in

the country because none of these farms is ever sold by an agent in Nairobi but almost invariably by an agent living in the district where the land is sold.

Another thing is the matter of the medical farms—this measure is bound to apply while a medical man is in occupation of that farm or while the farm is in occupation. The medical farmer has to act as a doctor while he is there. I do not know whether that is so now but some years ago after three years' occupation of a medical farm I happened to buy it from the medical farmer who happened to be in the district and I have since sold it so I presume that as a matter of fact it does not act now.

**LT.-COL. THE HON. C. G. DURHAM:** Your Excellency, I am not opposing the principle of the Bill but I most strenuously oppose the suggestion that every member of a firm should be taxed. Never mind whether the amount is £25 or £50 a year, to my mind it would be utterly unfair to small firms. Take a firm of general agents. They pay £15 a year for a licence as general agents. They will now be called upon as land agents to pay £25 a head. Very largely these firms also act as insurance agents and I am definitely assured by a firm this morning that they have already been told by the insurance company that the insurance company will not pay the fee and the agent will have to pay it. The net result then is that these two members of the firm will be called upon to pay to Government £165 a year for a little business which could be put into a pocket—as compared with, say, Whiteaway Laidlaw who pay £15 a year.

Sir, take the case of lawyers who bring out articulated clerks—they will have to pay £25 a head for those articulated clerks, whether Asiatic or of other race—if so, some of them will pay anything up to £250 a year.

I have nothing further to say except that I should like to draw the attention of the hon. mover to clause 7 and ask whether Government will include under the head of professional men, veterinary officers.

**THE REV. CANON THE HON. H. LRAKEY:** Your Excellency, like the first two speakers on this side of the House I am in general agreement with the principle of the Bill. I am very glad to hear from the Noble Lord that he had spoken to certain professional men, that they saw the justice of the measure and were prepared to pay the tax without a murmur. However, Sir, I feel very strongly indeed that it is perfectly equitable if a man has come out here and has made a highly successful business as a professional man living in the Colony where there is no income tax that he should be asked to pay

some special tax which would in some way make up for the fact that he has made his money, but I wish this morning to speak particularly about the medical profession. It has been mentioned by the learned mover of the motion that the other cases are somewhat similar, or not dissimilar, to medical men. Personally I think there is a good deal of dissimilarity. We know perfectly well that a medical man is obliged—happily they are always willing—but they are obliged pretty well to go to any case and take on the work when they know there is not the faintest chance of their getting any money back because they know that unfortunately the person who is ill cannot pay although he has the best intentions. Therefore we have these men doing a great deal of work indeed for no return whatsoever. In Select Committee it should be considered whether the medical profession cannot be left out altogether despite the fact that there are a few medical men who can be termed successful and really make themselves into wealthy men. I should be very glad to see the medical profession entirely left out for that reason.

Then I would speak particularly about one branch of medical men and that is the Mission medical men. I do not know whether it is generally known that as the tax stands at present the Missions would have to pay it. It is not perhaps understood that if a man comes out here, no matter how many letters he may have at the end of his name—he may have had a big practice in Harley Street—he comes on exactly the same salary and emoluments as a missionary accepted by the society from the most humble source at home. The salary is only enough to enable him comfortably and without anxiety to get his bread and butter. Therefore it would be perfectly unthinkable if the Missions have to pay that, and the Missionary body will of course have to pay his tax for him. That does not only apply to the medical profession—I cannot think of other cases quickly but possibly there are other professions besides medical men—I know of one chartered accountant. He is highly qualified and might also be in big business in the City if he had not twenty-five years ago offered himself to the Missionary Society. He is merely drawing the ordinary emoluments of a missionary. Surely such a person should not be asked to pay himself; therefore, I presume the Missionary Society would have to pay.

I agree, Sir, entirely that this Bill is riddled with difficulties and I therefore, not only in regard to all those I mentioned just now but others, shall keep a perfectly open mind, in spite of the fact that I approve the general principles, to vote for or against it after it has been thoroughly thrashed out in Select Committee.

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Lt.-Col. THE HON. J. G. KIRKWOOD: Your Excellency, I also wish to oppose this Bill. At first sight it appears that the eight professions mentioned in the schedule might reasonably be expected to pay something in the form of a licence but I make bold to say that the Select Committee will have the greatest difficulty when they set out to arrive at a figure. Whatever figure they arrive at they will find will be boiled down. It will have to be a minimum figure that certain people will pay. Take medical men in Nairobi. It is quite possible that will be £10 a year. There is no doubt that some medical practitioners do make a considerable income but it has got to be remembered that members of that profession never refuse a call whether they are going to be paid for that call or not, more especially when it is a serious accident or a case of life and death, and it is for that reason that I consider it is unfair to expect them to contribute a measure of taxation at a time when the difficulties are greatest and when they can least afford it. There are also in my district, and no doubt throughout Kenya, several medical men who take up medical farms. They practice and they get a call. They do not have high terms and their income I should say was very small indeed, and how are they going to pay £25 out of nothing? What figure are you going to put on medical practitioners? I should say you could not ask the outside medical man to contribute more than £5 a year. But it would be unfair for them to contribute £5 a year against a firm of medical practitioners in Nairobi who may be making a considerable amount of money. That is one snag and for that reason I would prefer to see the medical profession taken out of the schedule.

Take land agents. There are numerous people who pay full traders' licences who carry on the calling of land agent. I maintain that if they are paying the maximum trading licence they should not be called upon to pay another licence for what is really a side branch of their business. The sort of case I thought of this morning is an auctioneer's licence, which is £0. If he sells out of hand—some auctioneers do not sell out of hand but when they do they have to pay £15, making it £24. If an auctioneer had to pay £25 it would make his licence liability £40—£25, £15 and £0.

Then again, Your Excellency, there is the question of partnership. I am still open to conviction but I do not think it is fair to make partners pay individually. It probably could be got over by firms not advertising themselves as firms but advertising themselves as individuals and having their own agreement. But that does not tend to increase the commercial morality of the community and I think it would be—apart







The hon. Member for Kenya asked what the position was about medical farms. That, I think I can state very shortly, Sir. In the past medical farms were granted, the covenant being three years' occupation and practice, and it was probably one of those farms, Sir, of which the hon. Member spoke. In more recent years that covenant has been extended to seven years. The present position is that the grantee of a medical farm covenants to occupy and practise his profession for a period of seven years after the date of the grant.

The hon. Member for Kikuyu asked for information as to the position of articulated clerks and veterinary surgeons. The latter have not been included in the schedule to the Bill. I may say that they were excluded because it was felt that there would be very considerable practical difficulties in its way were we to endeavour to impose a tax on the members of that particular profession, but of course it is open to the members of the Select Committee to review that position. Articled clerks, I would remind the hon. Member, are not advocates necessarily. It is only if they are admitted as advocates that they would come within the purview of this schedule; if they are then practising members of their profession they pay exactly on an equality with all the other members of the profession.

LT.-COL. THE HON. C. G. DURHAM: On a point of explanation, there are two quite young lads who have come out from home who are admitted but who do not practise. I myself know an articulated clerk.

THE HON. THE ACTING COLONIAL SECRETARY: That may be, but they have been admitted; in any case they are articulated clerks before they are solicitors. They may be qualified as articulated clerks but they must be either barristers, advocates or solicitors before they can be admitted.

I might perhaps clear up the point made by the hon. Member for Plateau South, and mentioned by the hon. Member for Nairobi North, that the long title uses the word "tax" and the short title uses the word "licence". The reason for that, Sir, is a perhaps too slavish adherence to the exact wording of paragraph 10 of the Report of the Select Committee. I have not got it before me but if my recollection is right the recommendation was that they should be taxed by means of a licence, and so, Sir, it is the exact wording used in that paragraph which appears in that recommendation.

The question of making this a Licensing Ordinance in its true sense is a very interesting one and I think a very difficult one. If hon. Members will take the schedule they

will find that in the case of advocates, dentists, medical practitioners, and to some extent in the case of surveyors—not including quantity surveyors—there are already Licensing Ordinances; that is to say, no one can practise as an advocate without being admitted by the Supreme Court; no one can practise medicine without being either registered under the Medical Practitioners and Dentists Ordinance or licensed; and similarly with dentists and surveyors. Attempts have been made in the last eighteen months or so to pass similar legislation for architects and quantity surveyors. That legislation was prepared and was introduced into this Council but is temporarily only, I think—in abeyance. There is nothing at all to prevent other professions getting together and proposing similar legislation to this Council. But, Sir, there is the saving provision in this Bill, however inept and ill-drafted it may be, that nothing in this Ordinance entitles any man to practise a profession which he is not allowed to practise by law. No one need be afraid that any person who buys this licence may call himself an architect, for instance, or an advocate.

The other questions which have been raised, Sir, are, I think, entirely ones of detail and I think, Sir, that I need do no more now than ask Your Excellency's indulgence to arrange the personnel of this Select Committee during the adjournment, and perhaps Your Excellency would announce it later this morning.

LT.-COL. THE HON. J. G. KIRKWOOD: On a point of information, Your Excellency, might I ask—might I go as far as to suggest—that the Select Committee travel, that they visit some of the outside areas. I think it will be impossible to get the evidence you really require of their ability to pay unless that is done. I cannot imagine accountants outside townships and settled areas being able to afford the time and money to come in to visit the Select Committee in Nairobi.

HIS EXCELLENCY: I think that will be considered.

THE HON. THE ACTING COLONIAL SECRETARY: There is nothing in Standing Rules and Orders to immobilise them.

HIS EXCELLENCY: The question is that the Professional Licensing Bill be read a second time.

The question was put and carried by twenty-five votes to two.

Ayes: Messrs. Bemister, B's, Major Brassey-Edwards, Mr. Bruce, Capt. Colter, Messrs. Deck, Field-Jones, Fitzgerald, Gilbert, Harvey, Holm, Horne, Canon Leaky, Messrs.



Logan, MacGregor, Major Robertson-Eustace, Mr. Rushton, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Messrs. Wade, Walsh, Capt. Ward, Mr. Welby, Col. Wilkinson.

*Nots:* Col. Kirkwood, Mr. O'Shea.

*Declined to Vote:* Col. Durham, Dr. Gilks.

HIS EXCELLENCY: I understand that it is agreed that this Bill be referred to a Select Committee, the personnel of which I will announce before the final adjournment to-day.

*The Council adjourned for the usual interval.*

*On Resuming.*

#### THE DUTY ON LOAN CAPITAL BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Provide for the Payment of Stamp Duty on Loan Capital be read a second time.

This, Sir, is a short measure, designed primarily to fill what is in a sense a gap in the existing legislation, either under the Companies Ordinance and fees paid under Table B of that measure or under the Stamp Duty Ordinance. It follows the provisions of the Finance Act of England of 1899. This legislation has been actively in force in Great Britain for thirty-two years now and it imposes shortly, Sir, a stamp duty at the rate of Sh. 2/50 per £100 or portion of £100 on loan capital raised other than capital raised either under the Companies Ordinance (under which fees are paid under Table B on its authorized capital) or capital raised by debentures or mortgage. It applies, Sir, only to local authorities (that term including municipalities and district councils) and Companies Act bodies of persons. I repeat, Sir, there is an exemption for capital raised by way of debenture and capital raised on mortgage and in the definition of loan capital, Sir, hon. Members will find further exemptions towards the end of that definition. There is the further provision, Sir, that where loan capital is raised for the purpose of conversion or consolidation of existing loan capital the rate of stamp duty is reduced from Sh. 2/50 cents per cent to 50 cents per cent, and provisions are made for setting off the one against the other.

It is the wish that this measure also should be referred to a Select Committee for examination in detail and I therefore, Sir, at this moment need say no more.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is that a Bill to Provide for the Payment of Stamp Duty on Loan Capital be read a second time.

THE HON. T. J. O'SHRA: Your Excellency, this proposed legislation is of a very different nature from that which we have more recently been discussing. I have not got anything like the same objections to it, which will probably be a relief to the House. But in one respect, Sir, I have an objection to it and I sincerely hope Government will give earnest consideration to my plea, that is that local authorities should be exempt from its provisions.

I would urge, Sir, that it is highly inadvisable, more especially because of the unsatisfactory nature of central Government finance, to impose any difficulties upon local authorities in raising loans of their own. I think these young bodies might very well for another few years be exempt from any imposition of this tax. After all, Sir, it is only taking it out of one pocket and putting it into another. If they have to pay stamp duty on a loan they are raising then they have got to increase the amount of the loan by that amount and as in the case of most of these bodies the loans they would be raising would be comparatively small and the rateable capacity of the people in relation to the social requirements of the up-country towns and districts is low, I suggest that Government might very well show them this consideration for another few years and I do hope that in Select Committee Government will give sympathetic consideration to the plea that these bodies be exempt.

CAPT. THE HON. H. F. WARD: Your Excellency, I do not wish to oppose this Bill but at the same time I think its implication is a little indefinite at this moment and therefore I think it would be only fair for hon. Members to keep their minds perfectly open until the details have been thrashed out in Select Committee. There is one point, which perhaps the hon. mover will elucidate, and that is, what will be the position of the Land Bank under this Ordinance?

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I am in agreement with the principal provisions but can see no justification for taxing municipalities or any such local authorities if they wish to raise loans for special purposes, such as water works and that sort of thing. It seems to me that it is nothing more nor less than taking money out of one pocket and putting it in another. It would have the effect, if they had to pay £500 duty under this Bill, that that would have to be made up by rates. I cannot see the advisability of taxing these local authorities in this manner. At the same

time, I presume it is going to Select Committee and I hope in due course it will be clarified in the evidence before the Select Committee and before the House in the second reading.

HIS EXCELLENCY: If no other hon. Member wishes to speak I will call upon the hon. mover to reply.

THE HON. THE ACTING COLONIAL SECRETARY: I do not think there is any justification for attempting to make any reply to the hon. Members for Plateau South and Kikuyu. They have, I think, made their points, Sir. They have given not only the publicity to the Colony as a whole of their views but they have brought up the position of local authorities under this Bill. If this second reading is passed those points will be in the minds of members of the Select Committee. I shall not be one of the members of that Select Committee, Sir, so it ill becomes me to do anything which might savour of dictating to that body.

The point raised by the hon. Member for Nairobi North is an interesting one. If the Land Bank funds are further increased in the way existing funds have been raised this provision will not affect them in any way. But there are provisions under the Land Bank Ordinance for the raising of a credit loan. At the present moment their funds are such funds as are voted for this purpose by this Council. If that question presents any difficulty, Sir, and the position of the Land Bank is believed to be anomalous and dangerous in that regard, I am sure the members of the Select Committee will put in a clause exempting the Land Bank from the provisions of this Bill.

LT.-COL. THE HON. J. G. KIRKWOOD: Might I ask a question, and that is whether there is anything in the phraseology—which I do not profess to be able to see—which would affect the Kenya Farmers' Association in borrowing money at 6d. per bag of maize delivered to them?

HIS EXCELLENCY: Would it not be better if that point were raised before the Select Committee? I think it would be better. The Colonial Secretary has already spoken on the principles of the Bill, I think.

The question is that a Bill to Provide for the Payment of Stamp Duty on Loan Capital be read a second time. I understand that this Bill is to be referred to a Select Committee the personnel of which will be announced later by the hon. the Acting Colonial Secretary.

The question was put and carried.

#### THE TRADERS' LICENSING (AMENDMENT) BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that a Bill to Amend the Traders' Licensing Ordinance be read a second time.

✓ This Bill, Sir, gives effect to the recommendations in paragraph 9 of the Report of the Select Committee—one is in paragraph 9 and the other is at the top of page 7—and provides for a yield in the case of banks of £1,000, which is a figure which hon. Members will find in paragraph 9, and in the case of insurance companies of the sum of £2,000 per annum. I understand that in this case also, Sir, it is the expressed wish of Elected Members that this measure be referred to a Select Committee, not only in order to enable them to hear the views of bankers' agents and representatives of insurance companies in the Colony, but further, Sir, that it may prove practicable to throw the net—particularly in the case of the definition of banks—a little wider than it is in the Bill as drafted; and if that is so it may be possible to get the yield by a lower imposition on joint stock banks operating in the Colony. As this Bill is going to Select Committee I shall merely move the second reading.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second the motion.

THE HON. CONWAY HARVEY: Your Excellency, I intend to support this proposal but I should welcome slightly more information from the hon. mover in his reply and I, in turn, can give Government a little information which may be of use to it and perhaps to the Select Committee. Firstly, Sir, I should like to ask whether the figures which appear in the Bill are just a shot in the dark or if they are based on anything at all. Bankers' licences have been in force in South Africa for a large number of years. In Rhodesia the banks pay a figure of £100 per annum, and I am told that in Tanganyika the sum there is £100 for each head office and a much smaller sum (I think, £20) for each branch. But I understand that these licences were imposed a few years ago under totally different conditions when the importation needs of further public revenue was less urgent than it is to-day. I think, Sir, it is very important indeed that a much closer definition should be made of the expression "insurance company." It is very important indeed, Sir, that insurance business particularly should include accident, motor, fidelity guarantee and plate glass insurances. I suggest, Sir, there is a danger that these particular branches of insurance business are not included in the definition as it stands.

In my opinion, Sir, the estimate of revenue fortunately errs on the low side. The figure to be derived from banks is approximately correct, but there again, Sir, I would ask the Select Committee seriously to consider whether it is in the best interests of the Government and the Colony to impose any taxation whatever on small branch banks. Wealthy places such as Eldoret and Kitale can very well afford this imposition but, Sir, it is for the convenience of farmers in many cases for small branch banks to be opened in the less closely settled areas where they serve a great public convenience. The banks make very little money and it is quite a fair question whether they would be a fair subject for taxation.

With regard to insurance companies, I am told there are no less than fifty-four fire companies and two Lloyds Agencies operating in Kenya to-day. That makes fifty-six, which at £75 each comes to £4,200, possibly a little windfall Government did not contemplate, while, Sir, there are numerous other companies doing only life and other special lines. I would invite the very serious attention of Government to the investigation of these particular items.

THE HON. F. A. BEMSTER: Your Excellency, as this Bill is going to a Select Committee I am very glad to hear that the incidence of the tax on banking will be very carefully investigated, but there is going to be a very great difficulty in this, for it says here "for the principal or only place of business". There are a very large number of people in this country who are doing an exchange banking business, having only one place of business, and though the aggregate of the whole of the community represents a very large benefit, yet, Sir, I am sure £500 to any one of them—it is their only place of business—will be a very serious tax, and I would make this recommendation to the Select Committee if they could vary that in some way so as to bring all these exchange brokers into it and at the same time make it a fair tax on them. They would be called in the ordinary way exchange brokers but actually in this Colony, Sir, they are definite and real bankers. As you will find, they can be so described, taking an extract from Thompson's Dictionary of Banking, which I think is a far better definition than that in the Bill. If that can be considered, Sir, I think it would be an advantage and add much more to the revenue of the Colony.

CAPT. THE HON. H. F. WARD: I only wish to say one word and that is this—I am assured by the committee that the insurance companies in this Colony have no objection to being taxed or to this Bill in principle but they are very much perturbed by the definition in the Ordinance and would welcome an opportunity of giving evidence before the Select

Committee. In particular, Sir, in regard to the definition of insurance business it has been suggested that the definition as contained in the Insurance Companies Act of 1909 much more fully protects them than the definition in this Ordinance.

LT.-COL. THE HON. C. G. DURHAM: I should like to ask one question, Sir, and that is for each branch—does it mean for each agent because, of course, if you have got a branch in Nairobi you may have half-a-dozen agents for that same company.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I do not intend to vote against this Bill but I would again like to register my general objection that Government, having refused all the constructive advice that Elected Members put up, has now got to what one might call scrounging the dust heap to raise whatever money they possibly can from whatever source it is obtainable. I think the amount suggested here of £500 for the main bank is very excessive. After all, the banks have done a great deal in the development of this Colony and are certainly doing more at the moment to carry the commercial people and the producers than Government is making any attempt to do. I think it is out of all proportion to the amount that is paid in other parts of Africa. I have no doubt that that will be adjusted when evidence is given in the Select Committee. It is quite a different matter when you come to the insurance companies. An insurance company as a general rule sends money out of the country but a bank brings its money into the country in order to develop it, and I hardly think it fair they should be charged for branch banks because it seems to me that a progressive bank is going to be penalised for going out into the various townships in the country and opening branches when other banks do not do that. I should much prefer to see a Bill before Council containing a clause that an amount should be paid by the main bank only.

COL. THE HON. W. K. TUCKER: Your Excellency, I would like to support this Bill, not merely because I signed the Select Committee's Report, but because it does in a particular way carry the same principle that we passed this morning in regard to all the other institutions and people definitely to-day outside the Traders' Licensing Ordinance. I shall not be a member of the Select Committee and I would therefore like to throw out the suggestion that the Committee applies to the banks the principle which this draft measure seems to apply to the insurance companies, namely, that you should concentrate upon the individual organizations and disregard the question of branches or agencies as the case

may be. As to the amount that you can impose, the one you suggest in this draft is a comparatively small one in regard to branches but as the hon. Member for the Lake says there is a very great convenience derivable by the out-district farmers from these branches though many of them only open half a day a week, whereas, as the hon. Member for Nairobi North, I think, has said, the banks, as banks, are quite ready to shoulder any reasonable taxation in so far as their headquarters are concerned.

The only other point I should like to make is to traverse for a moment something just said by the hon. Member for Plateau North when he discriminated between the banks and the insurance companies in so far as he alleges the one sends a lot of money out of the country and the other does not. My experience of insurance companies, Sir, is this, that very little money goes out of the country in so far as those institutions are concerned: They have to face their claims and when you compare them with the banks the fact is that on balance the profits made by insurance companies are probably not more than one-quarter, expressed in dividends, of those made by the banks. Presumably the banks have to send money home to pay those dividends and broadly, I suggest, that most of the money sent home by the insurance companies is for the same purpose and for that purpose only.

THE HON. T. J. O'SHEA: Your Excellency, obviously Government in its hasty efforts to get increased revenue next year has chosen this manner of getting something out of the banks, that is to say, it is including them under the Traders' Licensing Ordinance instead of dealing with them as an entirely different class of institution, and the objection, Sir, to that procedure is that it deprives the Government and the public of the opportunity that might have been seized of getting publication of the banks' returns every year. It has been agreed by the House on more than one occasion that Government and commerce both suffer severely by the lack of statistics as to the financial position of the Colony, and promises and one thing or another were made from time to time that some effort would be made to secure the return of annual statistics from the banks so as to make that valuable information available. The impression I was under, Sir, was that Government would make an effort to bring in legislation under which the banks would not only be called upon to contribute some amount to general revenue but would also be called upon to disclose to Government and to the public the totals of the transactions in the Colony during the year. If that were done, Sir—and I reiterate it is very necessary that Government should have it done—Government would be placed in possession each year of information that would

be of inestimable value in enabling it to consider the country's financial position. I regret that this method of procedure has been adopted—we seem as far as ever from getting fulfilled that one of the many promises I have had from time to time. I do hope Government will renew the promise that something will be done in that direction before very long.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, there are one or two points, and if I may deal with the point last made, Sir, by the hon. Member for Plateau South, I would draw his attention to the provisions of the Bank Ordinance, Chapter 94, under which any bank operating in the Colony is bound to publish certain statements in the course of each year—a statement of unclaimed trust moneys in February, a statement of assets and liabilities each year, and a statement of all the information, where the head office of the bank is outside the Colony, which is submitted to its shareholders. I feel, Sir, perhaps the hon. Member and I are not quite at one. I have no personal knowledge of the promise of which he spoke but if the hon. Member would be so good as to let me know what it is, I will undertake to examine the provisions of the Bank Ordinance and see in what way it falls short of his requirements. We have separate legislation, of course, on the subject of banks already.

THE HON. T. J. O'SHEA: For the information of the hon. Member, the information he refers to is that of the institutions that are in operation in this country and those statistics are supplied, but of course they refer to the operations of the banks as a whole. What I asked for, Sir, was the operations of the banks within this territory.

THE HON. THE ACTING COLONIAL SECRETARY: That is so, Sir. There is, of course, no statutory obligation to separate the local activities of the bank from its aggregate activities and as they are very large joint stock concerns one cannot pick out any particular branch of its activities from those statements.

I should like firstly, Sir, to correct what appears to be a misapprehension in the mind of the hon. Member for Kikuyu who asked the licence payable by an insurance agent. Sir, there is not one. In the case of a bank there is a proposal for a licence for the principal or only place of business and a smaller licence for a branch, but in the case of insurance it is the insurance company which pays irrespective of the number of agents, branches or agencies it may have.

The estimate which the hon. Member for the Lake mentioned was, if I may call it so, a legacy which I found awaiting me when I first came into the deliberations of the Select Committee. At that time it was generally agreed—it

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appears now as a matter of general agreement—that the banks should contribute £1,900. There are three banks and there are sixteen agencies, and one does not need to be much of a mathematician to arrive at the calculation. It is true that the figures elsewhere are £100 every year for the principal or only place of business and £25 for an agency; it is equally obvious, of course, that that computation on the banking going on here would not give us £1,900. That is essentially, Sir, as also is the question of taxing the bank qua bank irrespective of the number of branches, a matter for the Select Committee.

I am very glad indeed to hear that there are so many insurance companies actually carrying on business and likely, in the light of this, to continue to carry on business within the Colony. The question of the insurance of plate glasses I am afraid is one that had escaped me. The Select Committee, of course, has a perfect right to include that. I did not include vehicle insurance because I had imagined, erroneously apparently, that it would not be the wish of hon. Members of Council to make the cost of transport in the country any higher than it had to be, but that again is entirely a detail for the Committee. The Bill is going to a Committee and I shall leave it at that.

**HIS EXCELLENCY:** The question is that the Traders' Licensing (Amendment) Bill be read a second time.

The question was put and carried.

**HIS EXCELLENCY:** It is understood this Bill will be referred to a Select Committee, the personnel of which will be announced later.

#### APPOINTMENT OF SELECT COMMITTEES.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, with the leave of the House I would announce the agreed personnel of the Select Committees on these three Bills:—

#### SELECT COMMITTEE ON THE PROFESSIONAL LICENSING BILL.

The Hon. the Colonial Secretary (*Chairman*).

The Hon. the Attorney General.

The Hon. the Director of Medical and Sanitary Services.

The Hon. the Director of Public Works.

The Hon. Member for the Lake.

The Hon. Member for Kikuyu.

The Hon. Member for Nairobi North.

The Hon. Member for Nairobi South.

The Hon. Member Representing the Interests of the Native Community.

#### SELECT COMMITTEE ON THE DUTY ON LOAN CAPITAL BILL.

The Hon. the Treasurer (*Chairman*).

The Hon. the Commissioner for Local Government,  
Lands and Settlement.

The Hon. the Director of Education.

The Hon. Member for Plateau South.

The Hon. Member for Nairobi North.

The Hon. Member for Nairobi South.

#### SELECT COMMITTEE ON THE TRADERS' LICENSING (AMENDMENT) BILL.

The Hon. the Attorney General (*Chairman*).

The Hon. the Director of Agriculture.

The Hon. the Surveyor General.

The Hon. Member for Nairobi North.

The Hon. Member for Nairobi South.

The Hon. Member for Mombasa.

#### THE 1932 APPROPRIATION BILL, 1931.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move that a Bill to Apply a Sum of Money for the Service of the Year ending the 31st day of December, 1932, be read a second time.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second the motion.

**THE HON. T. J. O'SHEA:** Your Excellency, am I in order in formally moving that the first vote, "His Excellency the Governor," be reduced by £1,000? My object in moving that amendment, Sir, is merely to draw attention to the need for revising the Estimates.

**THE HON. THE ACTING COLONIAL SECRETARY:** May I suggest that that can more properly be done when we come to discuss the schedule. The schedule in the past has been put item by item and full opportunity will be accorded to the hon. Member.

**THE HON. T. J. O'SHEA:** Will then Your Excellency allow me to put it in another way? May I ask Government whether the Revenue Estimates have been amended to take account of the loss of £1,000 of revenue that we heard about this morning?

**THE HON. THE ACTING COLONIAL SECRETARY:** May I just reply to that point, Sir. The hon. Member is taking I believe a too pessimistic view. I endeavoured to indicate this morning that the shortfall, if shortfall there be, could

not be of greater amount than £1,000 but it was impossible to estimate what the amount would be, so that no action at the moment has been taken in respect of a possible shortfall in that regard. I am happy to remind the hon. Member, however, that his hon. colleague on his right (the hon. Member for the Lake) has just suggested an additional revenue under the last measure of a sum greater than that.

**HIS EXCELLENCY:** The question is that the Bill be read a second time.

The question was put and carried by 18 votes to 10.

**Ayes:** Mr. Biss, Major Brassey-Edwards, Messrs. Bruce, Deek, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Canon Leakey, Messrs. Logan, MacGregor, Rushion, Wade, Walsh, Welby, Col. Wilkinson.

**Noes:** Mr. Bemister, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I beg to move that Council resolve itself into a Committee of the whole Council for consideration clause by clause of the following Bills:—

The Traffic (Amendment) Bill.

The Entertainments Tax Bill.

The Levy on Official Salaries Bill.

The Tax on Salaries (Transport Services) Bill.

The 1932 Appropriation Bill.

**THE HON. THE ACTING ATTORNEY GENERAL:** Your Excellency, I beg to second the motion.

The question was put and carried.

The Council went into Committee.

#### In Committee.

##### THE TRAFFIC (AMENDMENT) BILL.

The Bill was considered clause by clause.

##### Clause 3.—Insurance Policies.

**THE HON. THE ACTING COLONIAL SECRETARY:** In accordance with notice which I gave some days ago, I beg to move that the second words in sub-clause (2) of this clause be amended by deleting the "or security," "or secured," or the giver of the security," third line of the clause the words "or security"; in the second and "or secured" in the fourth line "or the giver of the security"; in the sixth line "or security." The reasons for that, Sir, I endeavoured to explain shortly the other day.

The question was put and carried.

##### Clause 4.—New clause.

**THE HON. THE ACTING COLONIAL SECRETARY:** I beg to move that there be inserted as clause 4 in this Bill the following clause:—

"The Principal Ordinance is hereby amended by inserting as 12A thereof the following:

and thereupon the amendment relating to annual driving licences of Sh. 5, which I think hon. Members have in their hands.

**THE HON. T. J. O'SHEA:** Your Excellency, I beg to move that this new clause be amended by the deletion of the word "five" in line 3 of sub-section (2) and the substitution thereof of the word "two." That is to say, Sir, that the annual licence shall be Sh. 2 instead of Sh. 5. Your Excellency, I do not do this for the purpose of being obstructive in any way, but because I think it very necessary that Government should realize that the imposition of a five shillings licence per annum is going to be rather severe on a lot of people, and most severe of all on the large number of native drivers of motor vehicles in this country. I think, in suggesting this annual licence, Government has overlooked the fact that a very large number of natives are dependent for a living on driving motor vehicles, and this is a heavy imposition upon them. Also, there is the second class of person, the family, and I suggest that in times like this (family people have a right to claim some consideration from Government. They have been shown very little consideration in recent taxation legislation, and it does impose a hardship upon a family if they have to pay Sh. 5 for every member of the family who drives a car; so I hope Government will give sympathetic consideration to the proposed amendment, that the annual tax be Sh. 2 instead of Sh. 5.

**LT.-COL. THE HON. C. G. DURHAM:** For the reasons stated by the hon. Member on my right (the hon. Member for Plateau South), I support the amendment.

**THE HON. F. A. BEMISTER:** May I ask if this tax is in addition to the present Sh. 30?

**THE HON. THE ACTING COLONIAL SECRETARY:** May I ask the hon. Member for Plateau South whether his amendment does not go further and entail the substitution in sub-clause (3) the last line, of the word "two" for the word "five"? That is the fee for renewal.

**THE HON. T. J. O'SHEA:** Yes, but I thought that would follow as a consequential amendment, and I left it for the moment.

**HIS EXCELLENCY:** We will take the amendment of the hon. Member for Plateau South first. The question is that the word "five" where it appears in line 3 of sub-clause (2) and in line 5 of sub-clause (3) be deleted, and the word "two" substituted therefor.

Will those in favour

**THE HON. T. J. O'SHEA:** Before you put it to the vote, am I to understand that Government does not even consider my suggestion worthy of any notice whatever?

**THE HON. THE ACTING COLONIAL SECRETARY:** I can only say this—I hope hon. Members will acquit the various representatives of Government who are charged with answering questions of any desire to treat them with disrespect or lack of courtesy—but the position is this: in the Estimates we have provided £3,500 for this, which is on the basis of five shillings annually for drivers' licences. The effect of the suggested amendment, Sir, would be to reduce that sum by £1,500, and for that reason, Sir, and without any intended disrespect, we are unable to accept the amendment.

**LT.-COL. THE HON. C. G. DURHAM:** May I put it to the last speaker: What does he base his calculations on in regard to this anticipated revenue? I take it on the number of cars, the family, and cases you have got three people driving that car in the family, and they will all have to pay five shillings. Everybody who drives will be taxed.

**THE HON. THE ACTING COLONIAL SECRETARY:** The estimates were given to me as having been based on the number of certificates of competency, not on the number of vehicles licensed, which may or may not be in use at the time.

**THE HON. T. J. O'SHEA:** I would show the Government the courtesy of accepting the explanation advanced by the hon. Member as a serious answer to my request that Government should give this suggestion sympathetic consideration, and I take it that he is agreeing in his statement that Government's objection to adopting my amendment is that it would lose a considerable proportion, that is, three-fifths, of the amount of money which it had expected to get from this additional taxation. Now, Sir, may I point out that Government has been ultra-conservative on this occasion in estimating the amount to be derived from this tax. As an actual fact, at Sh. 5 it would undoubtedly collect a very much larger sum than £2,500, because it applies to all classes of motor vehicles and to everybody who drives them, and as I have endeavoured to point out, a very very much larger number of people drive vehicles than the number of vehicles licensed, and I think you can very safely put it down at not less than 2½ to 1—I should have said it was nearer 3 to 1—so that you will in actual fact get more than the five shillings tax that is estimated. In addition fresh channels of revenue have been opened up under legislation already got. If that is the amount you want, you can get it under the two-shilling tax. I suggest to Government it can very well accept the two-shilling tax.

**HIS EXCELLENCY:** The question is that the word "five" where it appears in line 3 of sub-clause (2) and in line 6 of sub-clause (3) be deleted, and the word "two" substituted therefor.

The question was put and lost.

**HIS EXCELLENCY:** The question is that there be inserted in the Bill, immediately following clause 3, the following new clause, to be accordingly 4, and that the remaining clause of the Bill be re-numbered—

"4. That a clause to be numbered 12a shall be inserted between sections 12 and 13 of the Principal Ordinance, to read as follows:—

"12a. (1) No person shall drive a motor vehicle on any road unless he is licensed for the purpose under this section to drive such motor vehicle or one of similar type; such licence to be issued by such officer or person as the Governor may appoint for the purpose (hereinafter referred to as 'the licensing officer') or under any law in force in those countries.

(2) The licensing officer shall, on receipt of an application in the prescribed form together with a fee of five shillings, grant a licence to drive a motor vehicle to any person applying for it who holds a certificate of competency, and is not disqualified for obtaining such licence.

(3) Every such licence shall be in such form as may be prescribed and shall expire on the thirty-first day of December in the year in which it is granted, but may be renewed from year to year on payment of a fee of five shillings.

(4) Any person who shall drive a motor vehicle upon any road without having upon his person or in the motor vehicle at the time a valid licence as required by this section shall be guilty of an offence against this Ordinance.

(5) This section shall come into operation on the first day of January, 1937."

The question was put and carried by 17 votes to 10.

**Ayes.**—Mr. Dias, Major Bracey-Edwards, Messrs. Bruce, Deck, Field-Jones, Fitzgerald (Libert), Dr. Gilks, Mr. Holm, Canon Leakey, Messrs. Logan, MacGregor, Kushton, Wade, Walsh, Welby, Col. Wilkinson.

**Noes.**—Mr. Bemister, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

#### THE ENTERTAINMENTS TAX BILL.

The Bill was considered clause by clause.

#### Clause 2.—Interpretation.

**THE HON. THE ACTING COLONIAL SECRETARY:** I have given notice in this clause of an amendment designed to meet the suggestion of hon. Members that those who take part in recreation were being penalized in this Bill. The amendment, Sir, I think hon. Members have before them. It is that the definition of "payment for admission" be deleted, and that there be substituted therefor the joint definition of "admission" and "payment for admission" with a proviso relating to attendance at dances, which hon. Members have before them.

**CAPT. THE HON. H. F. WARD:** I feel considerable diffidence naturally, but does the amendment that the hon. Member proposes really fulfil the object that we have in view? The old definition of "entertainment" is still retained and contains the words "game or sport to which persons are admitted for payment," and in clause 7 it is still laid down that—

"Where payment for admission to an entertainment is made by means of a lump sum paid as a subscription or contribution to any club, association or society, or for a season ticket, or for the right of admission to a series of entertainments, or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lump sum."

That would make anybody playing a game liable to tax.

**THE HON. THE ACTING COLONIAL SECRETARY:** I think, Sir, the new definition of "admission" means admission as a spectator or one of an audience. I think the point is covered, Sir, except in the case of dances, for which the special provision is made that payment has to be made as a spectator or one of an audience, and not as a participant.

**CAPT. THE HON. H. F. WARD:** Would that make a member of a club who goes to watch a game of tennis take part in an entertainment?

**THE HON. THE ACTING COLONIAL SECRETARY:** If a charge were made for admission to that game of tennis, yes.

**CAPT. THE HON. H. F. WARD:** A charge is made in his subscription.

**THE HON. THE ACTING COLONIAL SECRETARY:** Well, then the proviso of which I have given notice, the addition to clause 7, covers that. If that is a very integral part of the fee, the watching of a game of tennis—if that is a very essential part of that for which you become a member of a club and pay a subscription, then the answer is in the affirmative. That, I understand, is why the proviso is given under this amendment to apportion some part of a subscription, however infinitesimal, to that particular activity of the club.

**CAPT. THE HON. H. F. WARD:** Is the matter so important that the hon. Member could not cut it out of the Bill altogether? Could not the Treasurer decide in respect of clubs all over the country what proportion of the members watched a game of tennis or not?



**Mr. COL. THE HON. C. G. DURHAM:** In effect, it would be a definite tax on the club, because 80 per cent of the members watch.

**THE HON. THE ACTING COLONIAL SECRETARY:** I do not think that the Treasurer's task will be quite so difficult as some sympathetic Members on the other side think it will. This provision is in the English legislation, and there is quite a volume of authority on it already in various law reports, and I would remind them, Members that such a club as the Marylebone Cricket Club brings in a very great deal to the exchequer under this particular section, and the same sort of thing may happen here.

**Mr. COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, as the hon. Member has mentioned the Marylebone Cricket Club, I did happen to be a member of the committee of that club when this came on, and we had long arguments with the Government on the subject. It was pointed out that the Marylebone Cricket Club included a very large number of members, a very large number of whom never went near Lords at all, and in the long run the Government agreed that the club should pay a lump sum which would represent the proportion of members who did make use of it; it was not a tax on each person's individual subscription. There was nothing added to our subscriptions. The club itself paid a lump sum to Government, which was, I think, based on about one-quarter of the membership, or something of the sort.

**THE HON. THE ACTING COLONIAL SECRETARY:** That was under the powers conferred by the English section corresponding to our section 4 with the proposed addition to clause 7, Sir. That is done in the case of a very large number of entertainments.

**Mr. COL. THE HON. H. F. WARD:** Do I understand that in the case, say, of the Jockey Club of Kenya, or any other racing club that the same procedure would hold good, that they would have to pay for members?

**THE HON. THE ACTING COLONIAL SECRETARY:** That is competent under the legislation as drafted. It exactly follows the English legislation in that respect.

**Mr. COL. THE HON. H. F. WARD:** I am still not satisfied. I should like to advance this point: in respect of a game or sport to which persons are admitted the payment should be specific. In other words, why interfere with the rights and privileges of a person who watches his fellow-members playing tennis? On the other hand, if that club organizes a tournament or a special game for which a specific charge is made, naturally one would expect to come under the provisions of this Ordinance. If you would have some way in which the authority is made specific for the game or sport, then I think we could get out of the difficulty.

**THE HON. THE ACTING COLONIAL SECRETARY:** I cannot imagine, if I may take only one, the Gymkhana Club here—I cannot imagine that there is any occasion except in the case of tournaments that any paid in order to enable that particular member to be paid to be in the net playing himself, to look round and see who is playing on the taxed. But there are a few clubs where payment is made primarily in order to enable you to watch certain entertainments, and it is in particular watching in the purview of the legislation that this would cover for a moment be taxed. If I may take another case: if one occasionally looks round at a hockey and one happens to lose one's ball, another green or fairway, but one would not be getting one's ball there in order to watch golf being played. You have some primarily to play there, and no tax would be payable in that case.

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**HIS EXCELLENCY:** The question is that the definition of "payment on admission" in clause 2 be deleted and the following substituted therefor:

"Admission" means admission as a spectator or one of an audience, and "payment for admission" includes any payment made by a person who having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof for admission to which a payment involving tax or more tax is required; Provided that every person who pays for admission to a dance shall be deemed to have been admitted as a spectator."

The question was put and carried.

**Class 3.—Tax on Payments for Admission to Entertainments.**

**Mr. COL. THE HON. LORD FRANCIS SCOTT:** I suggest this is a very high rate of tax. The lowest is 12½ per cent, and it goes up to 25 per cent. It seems to me to be a very high rate, and I suggest the clause be deleted.

**THE HON. THE ACTING COLONIAL SECRETARY:** I am afraid here again, that it did not strike me. It is the same scale which was in force here before. Incidentally, I am not using this as an argument, but it is an infinitesimal part of what the present scale in Great Britain is. But here again, Sir, the estimate of £3,000 given has been worked out on the basis of this scale.

**Mr. COL. THE HON. LORD FRANCIS SCOTT:** I should have thought that if it was on the same basis as it was before—I should have thought that a great argument against it. The last Bill was proved to be unworkable and useless. The hon. Member has not attempted to justify the rate as being an equitable one. My suggestion is that it is on the high side. If Government cannot see its way to delete the clause altogether, perhaps it will accept an amendment in the amount?

**THE HON. THE ACTING COLONIAL SECRETARY:** Hon. Members opposite cannot have it both ways. Government is now accused of introducing the Estimates before the Bill. A week ago it was accused of introducing the Bills before the Estimates.

**THE HON. F. A. DEMESTER:** Can the hon. gentleman substantiate the suggestion he has just made that this is an infinitesimal part of the entertainments tax in England? These amounts appear to be high in relation to the old cost of entering a theatre.

**THE HON. THE ACTING COLONIAL SECRETARY:** I have not got the full order made in this regard, Sir, under the National Economy Bill, but I have seen the lower scale, and there is a tax of 1d. on the first 2½d., and so on, and the tax gets higher throughout. It is only during the last month or two that under the National Economy Bill that legislation was passed. It begins from 1d. and goes upwards; there is no minimum, and it is very much larger in the higher scales according to the provisions of the order I have seen. This Bill corresponds roughly to what we were accustomed to in England before the last few months.

**THE HON. F. A. DEMESTER:** I was referring to the tax in force. May I just ask a question, Sir, whether it is a good argument in support of this particular scale that it is the same or not more than the old Bill, which apparently was such an utter failure?

**THE HON. THE ACTING COLONIAL SECRETARY:** If the old Bill was a failure, it would not be a failure because of the scale, but because of certain administrative difficulties found in its operation. The mere publication of a certain scale did not necessarily cause its demise.

**Mr. COL. THE HON. C. G. DURHAM:** In spite of what has been said, I beg to move that the following figures be substituted in the Bill: 10 cents, 20 cents and 40 cents, instead of 15, 25 and 50.



THE HON. T. J. O'SHEA: 10, 20, 40 and 80, I think the hon. Member means.

The question was put and lost.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I move the deletion, Sir, of the whole clause.

The question was put and lost.

**Clause 4.—Mode of Imposing Tax.**

CAPT. THE HON. H. F. WARD: Is it really intended that every dance performance under this Ordinance, those attending the dance, must have a special ticket and stamp?

THE HON. THE ACTING COLONIAL SECRETARY: Unless, Sir, arrangements are made such as those indicated here—arrangements for accounting for the number of people admitted.

**Clause 6.—Mode of Collection.**

THE HON. THE ACTING COLONIAL SECRETARY: I have given notice of a slight amendment here, Sir, so as to make it consistent with the amendment already accepted—the deletion of the words "on payment" in the second line in clause 6.

The question was put and carried.

**Clause 7.—Subscription and Season Tickets.**

THE HON. THE ACTING COLONIAL SECRETARY: In this clause again, Sir, I have given notice of amendment, which I think hon. Members have before them—the addition at the end of the clause of a further paragraph:—

"But where the Treasurer is of opinion that the payment of a lump sum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period for which the tax has not been in operation, the tax shall be charged on such an amount as appears to the Treasurer to represent the right of admission to entertainments in respect of which entertainments tax is payable."

The question was put and carried.

**Clause 8.—Exemption of certain forms of entertainments.**

THE HON. T. J. O'SHEA: I beg to move that after the word "philanthropic" the word "social" preceded by a comma, be inserted. That is to say, Sir, that the whole of the takings devoted to philanthropic, social or charitable purposes may be exempt. I make a strong appeal to Government to agree to this amendment. As I endeavour to point out the other day, more particularly at the present time very large numbers of our social institutions are dependent on their existence on the organization of entertainments which are not run for profit. Nobody makes any profit out of them, and a number of people give up a large amount of time and property in order to make these entertainments a success, so that a certain amount of money may be raised for maintaining their social institutions. Local bodies of boy scouts, girl guides and various things like that are kept alive at present by this means, and I do hope Government will agree that such functions as these, run not for profit but as a social duty, should be exempt from the purpose of the Bill.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I should like to support that point of view. Whether the word "social" covers what is wanted, I do not know, but the object underlying the amendment proposed by the hon. Member for Plateau South I think fully deserves attention.

THE HON. THE ACTING COLONIAL SECRETARY: May I be allowed to say, Sir, that in this amendment hon. Members will not find Government unympathetic. At the same time, my difficulty is—I can see the Noble Lord is in doubt as well—as to how the word "social" can be construed by a court of law. "Philanthropic" and "social" will be two words which have been well defined. We know whether an institution is "philanthropic" or "charitable," but what "social" is I am not prepared to say. But I have Your Excellency's authority for saying that if you will allow this clause to be reserved for the time being, when the further clauses are considered, I will move to report progress, and try to evolve something for to-morrow morning.

THE HON. THE DIRECTOR OF AGRICULTURE: May I suggest that consideration be given to entertainments designed to raise funds primarily for religious purposes?

CAPT. THE HON. H. F. WARD: There is another point in this clause I do not understand. (a) says "without any charge on the takings for any expenses of the entertainment." What I see at the end, Sir, is that: "provided that the whole of the expenses of the entertainment do not exceed 20 per cent of the receipts." Are they not in conflict?

THE HON. THE ACTING COLONIAL SECRETARY: The first one, Sir, provides that no entertainment tax shall be charged the proceeds at the end provides for refund where the expenses are found to be less than 20 per cent.

CAPT. THE HON. H. F. WARD: I do not follow that at all, Sir. I am sorry—I am very dense. In the first place, you say "for philanthropic or charitable purposes without any charge." Then you do not pay any tax. But if, by mistake, you pay the tax for philanthropic and charitable purposes, you get it back under different conditions. What is the object of that?

THE HON. THE ACTING COLONIAL SECRETARY: I should have said that B (a) is devoted primarily to entertainments in respect of the running of which no charge whatever is made on the funds. If people come forward and say, "We will stand all this, and give all the proceeds," then no entertainment tax is chargeable. If, on the other hand, any charitable organization is unable to get anyone to come forward and say, "We will stand the whole cost," then, if they run it at a gross cost of not more than 20 per cent of the whole takings, they can have the entertainments tax repaid.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg leave to report progress.

The question was put and carried.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to move that the Traffic (Amendment) Bill be reported to Council with amendment, and that the Entertainments Tax Bill be recommended for further consideration to-morrow morning.

The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to report that the Traffic (Amendment) Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council with amendment.

## THIRD READING,

## THE TRAFFIC (AMENDMENT) BILL.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that the Traffic (Amendment) Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned till 10 a.m. on Friday, the 11th December, 1931.*

FRIDAY, 11th DECEMBER, 1931

The Council assembled at 10 a.m. at the Memorial Hall, Nairobi, on Friday, the 11th December, 1931. His Excellency THE GOVERNOR (BRIGADIER-GENERAL SIR JOSEPH ALDYSIOS BYRNE, K.C.M.G., K.B.E., C.B.) presiding.

His Excellency opened the Council with prayer.

## MINUTES.

The minutes of the meeting of the 10th December, 1931, were confirmed.

## ORAL ANSWERS TO QUESTIONS.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I beg to give notice of the following question:

"Will Government state when the Committee appointed to investigate and report on native and Somali stock on Crown Lands and Townships will visit Kitale?"

## LAND BANK.

THE HON. T. J. O'SHEA asked:

Whether in view of the great importance of the operations of the Land and Agricultural Bank at the present time, Government will be pleased to publish a short review of its operations for the period ending the 31st December as early as possible in the New Year?

THE HON. THE ACTING COLONIAL SECRETARY (MR. A. D. A. MACGREGOR, K.C.): The answer is in the affirmative.

## BILLS.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I beg to move that Council resolve itself into a Committee of the whole Council for the further consideration of the Entertainments Tax Bill, and for the consideration clause by clause of the Levy on Official Salaries Bill, the Levy on Salaries (Transport Services) Bill and the 1932 Appropriation Bill.

THE HON. THE ACTING ATTORNEY GENERAL (MR. T. D. H. BRUCE): Your Excellency, I beg to second.

The question was put and carried.

The Council went into Committee.

## In Committee.

## THE ENTERTAINMENTS TAX BILL.

## Clause 8.—Exemption of certain forms of entertainments.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, towards the close of yesterday's sitting, the hon. Member for Plateau South moved an amendment to paragraph (a) of this clause, that the beginning of the second line of that paragraph, "philanthropic," at the order of Government, Sir, to ascertain exactly what the word "social" means. It is not a term of art; it is not a term to which such word in Stroud's Judicial Dictionary, or in the courts, there is no Dictionary, and there, Sir, I find the word "social" has such a wide that, in effect, Sir, the suggestion of the hon. Member for the inscription of that effect is rather more camouflaged, as the suggestion of the Noble Lord yesterday that the operative clause be omitted. In my inability to help.

THE HON. T. J. O'SHEA: Your Excellency, in the circumstances I appreciate the inability of Government to accept my particular amendment, but I understand they do accept the spirit of it, Sir, and I do hope that the hon. Member, with his great legal ability, will be successful in finding some other word or words that will carry Government's and the public's sympathies. I understand that entertainments get up solely for the benefit of such social institutions, guides, and various other bodies that we think are necessary for the well-being of this country. I had thought, Sir, in the beginning of my mind, not organized for private profit or for the profit of the promoter, because I understand that what Government is really getting are prepared to consider the exclusion of entertainments for profit, and organized for profit, but for the benefit of some deserving institution. I wonder, Sir, whether the hon. and very learned Member could think of words that would cover that purpose—the wish seems to be common to Government as to Members on this side of the House.

THE HON. THE ACTING COLONIAL SECRETARY: I have already, Sir, assured the hon. Member of Government's sympathetic attitude to him. Sir—he has been extremely flattering in his reference to me, and I do assure personally—but the point is one for which I cannot at the moment suggest a solution. At first sight the suggestion which the hon. Member has just made—entertainments which are not organized for profit—the promoter—would appear to suggest a way out of the difficulty. The trouble there, if I may take an instance, is that we promote them without the payment of entertainment tax, and to that is a members' club, but the Muthaiga Club or the Mombasa Club would not have that right, because they are proprietary clubs. There would be difficulties—I do want to try to make that clear. The hon. Member does not lack sympathy—it is lack of ability that is my inflicting inequities and hardships and anomalies in certain cases; but I would like to see the hon. Member if we can devise a solution for his difficulty I think we can remedy it, Sir, at the earliest possible moment. It is very difficult.

THE HON. T. J. O'SHEA: I accept in all sincerity Government's intentions in the matter. May I suggest a possible way out, seeing

that the drafting is the great difficulty; that possibly a liberal interpretation of the word "philanthropic" in the administration of the Bill would meet the needs of the case.

THE HON. THE ACTING COLONIAL SECRETARY: That, Sir, is a suggestion which could hardly come from me, because I do not want to do anything to convey to my hon. friend the Treasurer that I want to fetter his discretion or to teach him his job in the slightest, but now of the difficulty.

THE HON. T. J. O'SHEA: I accept that way out, Sir.

## THE LEVY ON OFFICIAL SALARIES BILL.

The Bill was considered clause by clause.

(Clause 1.—Short title and commencement.)

THE HON. THE ACTING COLONIAL SECRETARY: I think the hon. Member for Plateau South has given notice of an amendment to this clause.

THE HON. T. J. O'SHEA: If my amendment regarding the title is accepted at a later stage it will be a consequential alteration.

THE HON. THE ACTING COLONIAL SECRETARY: I suggest in the interests of regularity that this clause be postponed, Sir, until the suggested amendment to the title has been dealt with.

THE HON. T. J. O'SHEA: With all respect, Sir, I am under the impression that in Standing Orders there is one to the effect that if a subsequent amendment necessitates amendment of a clause already passed it can be gone back to.

THE HON. THE ACTING COLONIAL SECRETARY: That is so if it is entirely consequential.

(Clause 3.—Deductions allowed.)

THE HON. T. J. O'SHEA: Your Excellency, I have an amendment to move to clause 3. Since I notified Government the other day of certain amendments that I would move to this Bill, I have had representations made to me by members of the Service asking for amendment of clause 3. I have only had time to partly see the hon. Colonial Secretary this morning. I move, Sir, that at the end of the clause the full stop be deleted and a comma inserted, and the following words added:—

"or, if he is not a contributor to the Widows' and Orphans' Pensions Scheme, of an amount paid as annual premium for life insurance on his own life, not being greater than the amount he would contribute to the Scheme were he a contributor."

As the position has been explained to me, there are members of the Service who for one reason or another are not contributors to the Widows' and Orphans' Pensions Scheme, and these people think it would be fair that they should be allowed exemption for insurance premiums they pay outside up to but not exceeding the amount that they would contribute to the Scheme were they within the scope of the Scheme. That suggestion certainly appeals to my sense of fair play. These people for various reasons are not within the scope of the Scheme, but they have taken steps to safeguard the position of their widows and orphans, and as the body of the Service are being allowed exemption for the payments to cover that I think it only right and proper that these people should have the same exemption. I hope that point of view will appeal to Government.

THE HON. THE ACTING COLONIAL SECRETARY: Subject to my correction of the actual wording of it, Sir—I do not write better suggestions to get it down—Government is prepared to accept that amendment.

THE HON. CONWAY HARVEY: Although I support the proposal, there is just one point that occurs to me. In the case of life insurance does it necessarily follow that money accruing on the death of the insured goes to the widows and orphans? Surely, it may possibly be hypothecated in other directions during the lifetime of the insured, in which case the servant would then fall back on the charity of Government for his widow and orphans.

THE HON. THE ACTING COLONIAL SECRETARY: That is perhaps a cogent argument why that should be compelled to join the Widows and Orphans' Pensions Scheme. It does not seem to me to apply quite to the particular point we are discussing now. It is true that a policy has a surrender value, and a man may take that surrender value and get no ultimate benefit, but that, Sir, does not seem to me any reason why we should penalize all servants in those circumstances.

THE HON. CONWAY HARVEY: Of course.

THE HON. T. J. O'SHEA: I suggest we legislate for normal humanity and not for abnormal humanity.

HIS EXCELLENCY: The question is that clause 3 be amended by the deletion of the full stop at the end of the clause, by the substitution of a comma therefor, and by the addition at the end thereof of the following words:—

"or if he is not a contributor to the Widows' and Orphans' Pensions Scheme the amount of the premium which he pays on a policy, provided such premium does not exceed the amount which the officer would contribute if he were a contributor to the Widows' and Orphans' Pensions Scheme."

The question was put and carried.

Clause 4.—Power to impose a levy on official salaries.

THE HON. T. J. O'SHEA: Your Excellency, I have given notice of an amendment to clause 4. I move my amendment, Sir, that the different principles involved in my amendment, so my idea is to put them separately. I have asked in the first place that the words "or in the service of a local authority" be deleted. That is to say, I am asking Government to agree that this Bill should apply only to the service of the local authority.

There are two main reasons for my urging this course upon Government, Sir. The first is that the majority of the employees of these local authorities have been engaged upon entirely different terms of service than those enjoyed by the Civil Service; and in the majority of cases they do not compare favourably with those enjoyed by the Civil Service. In a few cases there may be reasonable comparisons between the emoluments received by the employees of local authorities and the Civil Service, but they are very few indeed, and the other local government bodies (Mombasa and Nairobi), in largely confined to the larger bodies of Mombasa and Nairobi, in salaries—and do not receive the benefit of the other conditions pertaining to Civil Service employment, and, Sir, I do not think it is reasonable that they should be brought within the scope of the scheme.

The second main argument against their inclusion in the scheme is that they are included under this Bill is that these deductions will go to the Central Government revenue, and not into the revenue of the local authority. I regard that as another way by which Government is reducing its grants to these bodies this coming year. The money granted to these authorities for the coming year has already been curtailed, and I suggest that if they can effect savings on their staff that those savings should be allowed to go into the funds of their local bodies to enable them to meet their other requirements. Also, Sir, there is the argument that in the case of a large proportion—

I think I can safely say the larger proportion of the employees of these local bodies they are people who have only recently been engaged. They have been engaged during this time of depression, and invariably on very low salaries. I know, for instance, the case of one or two authorities, their clerks are from £20 to £25 a month, and I know, for instance, the case of one or two authorities, their clerks are from £20 to £25 a month—that is, "reasonable" that they should be included in this levy. If it is not possible to make them, and I feel sure, if they are left out and instructions is given by the local government central authority to these bodies to examine their salaries bills with a view to seeing what economies can be effected, that these instructions will be carried out. For these reasons, I hope Government will agree to the first part of my amendment. The second part I am proposing for entirely different reasons.

THE HON. THE ACTING COLONIAL SECRETARY: I wonder, Sir, if the hon. Member—I make a personal plea—will allow me to suggest that he should take one at a time—for the reason that the hon. Member for Nairobi South has also moved an amendment of the same point. I think it will be for the convenience of the House and shorten the debate if we deal with each point as a separate issue.

THE HON. T. J. O'SHEA: I quite agree, Sir.

THE HON. THE ACTING COLONIAL SECRETARY: And may I ask the hon. Member also what his attitude would be towards the amendment moved by the hon. Member for Nairobi South at the top of the second page of the Order Paper for the 4th December? That also deals with local authorities, and the suggested amendment in that is that Your Excellency in Council has power by order to impose a levy on that portion of the official's salary which is borne by the local authority's funds, whereby the total levy is equal to that imposed upon Civil Servants under this Ordinance.

THE HON. T. J. O'SHEA: Your Excellency that would probably meet the case to some extent coupled with the provision that has already been made elsewhere for the exemption of persons, but I think the simpler way of doing it is as I suggest, to have the levy. Let the local government central authority issue an instruction that their salary list is to be overhauled, and let them submit the savings. There are two things implied in this—not only the cut in salaries, but also that the Central Government is taking back the money thus saved.

LT.-COL. THE HON. LORD FRANCIS SORRY: Your Excellency, I should like to support this amendment. I have given your careful consideration to this particular point, which is rather an intricate one really. These particular officers are technically described as officials of Government because the funds from which they are paid are contributed from the general revenue of the Colony, as far as Government is concerned, and a proportion of it as far as the municipal councils are concerned. But, Sir, I should like to support the hon. Member has just said with regard to that, to say that in our recommendation that we put up on the question of the levy on salaries we did make a definite recommendation that anybody who came under the terms of service as recommended by the terms of Service Committee should be exempt from this. I think that many of these officials would come under that heading. I think they are on terms very much in accordance with that.

I should also like to point out, Sir, on the matter of finance, that in these local governments have had a bigger proportion of their part money they have had to spend this year than in any other part of the administration of this country. In fact, actually there has been a reduction of Government contributions to local authorities as compared with last year of somewhere in the neighbourhood of £20,000—

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on page 65 of the Estimates. Sir, For instance, the whole of the extra grants to district councils amounted to £9,064, which is approximately a 25 per cent reduction on the total they had last year.

With regard to the municipalities of Nairobi and Mombasa, and possibly others, the question is entirely different from that of district councils. District councils, of course, get their funds in the main from public revenue. These municipalities get a proportion from the public revenue—a portion of which is definitely allocated to the payment of their salaries—and the remainder is found by the rates. So they are in a rather different position from what the district councils are. We did give a great deal of time to discussing this, Sir, and we came to the conclusion that the better way would be on the lines of the amendment that is proposed. I am not sure how far that proviso of Government, which was suggested by the hon. the Acting Colonial Secretary, would apply to district councils, when the whole of the funds come from Government sources.

**CAPT. THE HON. H. F. WARD:** Your Excellency, my difficulty in this matter is just this: Perhaps my hon. friend the mover of the amendment will agree. How is a local authority to obtain the legal right to make a levy on its servants' salaries unless they are included in some way in this Bill? That is the whole point I have been up against. You might instruct a district council, for example, where 75 per cent of its servants have completed and 25 per cent stand out, in order to carry out the wishes of the majority some legal enactment is necessary.

**LT.-COL. THE HON. C. G. DURHAM:** I am going to support this amendment because of the difficulties district councils find themselves in. I will just mention our own district council, Sir. The clerk of the council receives a salary of £500 a year, but out of that he has £250 for a junior clerk and £175 for a typist, which leaves him £275 which he can put in his pocket at the end of the year.

**LT.-COL. THE HON. J. G. KIRKWOOD:** I wish to associate myself with the amendment, and I am of the opinion that district council employees should not contribute anything like the proportionate amounts as servants of Government. If there is a difficulty, Your Excellency, as foreshadowed by the hon. Member for Nairobi North—I could introduce a provision into this Act which would give them power to make the cut if they thought it desirable.

**HIS EXCELLENCY:** Is the hon. Member for Nairobi South going to press his amendment?

**COL. THE HON. W. K. TUCKER:** Contingent upon Government's accepting the amendment proposed by the hon. Member for Plateau South, I would, with the leave of the House, withdraw my amendment—at all events, a substantial portion of it. I am not quite clear whether the hon. Member referred to has proviso at the end which Government itself has undertaken to withdraw. Apart from that, I do not desire to proceed with this amendment of mine provided for Plateau South's amendment if acceptable to Government.

**THE HON. THE ACTING COLONIAL SECRETARY:** The suggestion, Sir, which on behalf of Government I should like to throw out for consideration is that the amendment immediately in question should be accepted, and that there be added as a second sub-clause to this section for Nairobi South gave notice. If I may, Sir, I will read out a draft of what I suggest as sub-clause (2) of this clause:—

"(2) It shall be lawful for the Governor in Council, at the request of a local authority, by order to impose a levy at a rate to be specified in such order on the salary of any officer—not on every officer, but on any officer, which makes it possible to specify particular officers to be subject to the levy—on the salary

of any officer of such local authority: Provided that no such sub-section (1) shall be imposed on a levy under sub-section (1) of this section is in force and no levy under sub-section shall be imposed at a rate higher than the rate of levy for the time being in force under sub-section (1) of this section."

I am sorry to spring this on them, Sir, but if hon. Members think they could accept that Government is quite prepared to accept the amendment regarding sub-clause (1).

**COL. THE HON. W. K. TUCKER:** May I at this stage be allowed to withdraw my amendment? I take it the question of the proviso will be dealt with subsequently.

**THE HON. T. J. O'SHEA:** Having disposed of that, I should like now to carry on with the second portion of my amendment, in which I ask for the deletion of the words "and from time to time to vary the rate of such levy or to suspend it for any specified month or months, and to exempt from the levy any person or class of persons."

Your Excellency, in moving this, I am endeavouring to help the Council moving along the lines that have been travelled here and I think are travelled by other representative parliamentary institutions. That is to say, the legislative bodies retain control over taxation measures. It seems to me that it cannot be the desire of Government in any way to wish to take away from the Legislative Council powers it has always enjoyed, and I should much prefer to see arrangements made so that any variation in this taxation measure could have the consent of the Legislative Council. I am particularly anxious to get Government to look at it in that light because this Bill does really pick out a section of the citizens for special treatment in the matter of taxation, and I think it is our duty to be as fully alive to the necessity for protecting that section of the citizens as any other. I do not think, Sir, that the deletion of those words would in any way conflict with Government's intentions or make it more difficult for the Governor in Council to carry out the orders according to the requirements, except possibly in one respect: by taking the amendment wholesale it would deprive the Governor in Council of the power of exempting any person. In all our poll tax legislation we use direct taxation on the individual the Governor in Council has the power to exempt a person if there is a case of hardship, so if in the spirit of the thing appeals to Government, I would like to see a further amendment, that we leave in these words: "and to exempt from the levy any person," and to add thereto "who in the opinion of the Governor would suffer undue hardship by reason of the levy being imposed on him." By doing that we would leave in the hands of the Governor the one power he really wants to exercise.

**THE HON. THE ACTING COLONIAL SECRETARY:** The Governor in Council?

**THE HON. T. J. O'SHEA:** The Governor in Council—and the deletion of the balance would not make any difference to the operation of the Act, but would preserve that procedure which is such a necessary part of a representative institution, that the power of taxation should not be given to an arbitrary body, but should be retained in the hands of the Legislature.

**CAPT. THE HON. H. F. WARD:** I should like to support the third amendment of the hon. Member, put forward as I understand it to leave in the hands of the Governor in Council the power to make exemptions in respect of proved hard cases, if I am right.

**THE HON. THE ACTING COLONIAL SECRETARY:** It always has been with the Governor in Council, Sir, under the clause.

**CAPT. THE HON. H. F. WARD:** It is in respect of proved hard cases. The only thing I can suggest is that for the better wording of the Ordinance these words should be taken out of that section and put in sub-section (3), so as to make them applicable to the servants of district councils who are covered by this Ordinance.

**THE HON. THE ACTING COLONIAL SECRETARY:** If I may suggest it, I do not think that would be necessary following on the wording which I suggested. It was not every officer, but any officer, that carries the decision in the matter under the amendment to the local authority, Sir.

**COL. THE HON. R. WILKINSON (OFFICER COMMANDING NORTHERN BRIGADES):** I would suggest the wording remain as it is, or you will have difficulty in dealing with a body like the King's African Rifles. This is an enabling Bill, and has been passed in other Colonies where the King's African Rifles are stationed, but, unfortunately, Sir, where these Bills are not in every respect the same, and you get as the effect of a sergeant in Tanganyika does not. Therefore I think, Sir, there should be power under the Bill to vary the rate of the levy imposed on different people, otherwise throughout the whole of the King's African Rifles you will get different payments made to the King's African Rifles expect the native to understand such a tax; to Merely look on what he gets as pay, and if one sergeant in one place gets one rate of pay and another sergeant in another place gets another rate of pay that sergeant who gets the least will think that he is being done down.

**LT.-COL. THE HON. J. G. KIRKWOOD:** On that point, Your Excellency, may I mention that I did on a previous occasion, Your Select Committee suggest that the King's African Rifles should be dealt with on exactly the same basis as the Imperial Army at home as regards a cut. I do not see that they need be embodied in this Bill. I think would get over the difficulties.

**HIS EXCELLENCY:** That is hardly within the scope of this Council.

**THE HON. THE ACTING COLONIAL SECRETARY:** That was an integral recommendation of the sub-committee of the Select Committee which dealt with this matter. They at that time were dealing with officers who might accept the new conditions of service. The other class certainly was the personnel of the King's African Rifles for the reason that the recent change in Army rates of pay have been reflected out here. In that case, as I said, it would only be equitable that we should be able to exempt at once that particular class of person from the operation of this levy, Sir. The other suggestion of the hon. Member for Plateau South, stressing the case of hardship, is I think one to which no exception can be taken—it is in exact consonance with other taxation measures.

**THE HON. T. J. O'SHEA:** Am I to understand that that will be accepted; that the amendment will be accepted by Government?

**THE HON. THE ACTING COLONIAL SECRETARY:** That is so, Sir.

**THE HON. T. J. O'SHEA:** I accept it.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** May we have it quite clear what the amendment is. I think you said you wanted to keep ment it comes out.

**THE HON. THE ACTING COLONIAL SECRETARY:** That power is inherent. The Interpretation Ordinance deals specifically with that. "Where an Ordinance confers power on any authority to make orders or rules or to issue proclamations or notices... an order, rescinded or revoked by the same authority... so that the repetition of those same words in this clause is strictly unnecessary, redundant.

If I may, Sir, perhaps it would help hon. Members if I read them the clause as it will be, as it comes out of the melting-pot:—

"4. (1) It shall be lawful for the Governor in Council by order to impose a levy at a rate to be specified in such order on the chargeable salary of every officer in the public service, and to exempt from the levy any class of persons or any person, who, in the opinion of the Governor in Council, would suffer undue hardship by reason of the imposition of the levy."

11th December, 1931.

**COL. THE HON. R. WILKINSON:** There is one point I do not think that covers, and that is the case in which rates are different in different, you do not want to exempt the whole, but you want to exempt or to increase so as to make the rates the same in each Colony. The King's see it adjusted throughout the King's African Rifles; they want to rates.

**LT.-COL. THE HON. C. G. DURHAM:** The suggestion made by the Select Committee was that the levy be on the same basis as the Imperial Forces at home, and therefore it would be the same levy it is done in Uganda and Kenya on the same rates.

**THE HON. THE ACTING COLONIAL SECRETARY:** May I say, for the information of my friend the Officer Commanding Northern Brigade, exempt.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** I want to get this quite clear in my mind. Do I understand that as it stands now the Governor has the power inherently, if he wishes, to raise the rate from what was originally settled? He can do that without reference to this Council or anywhere? Is that right?

**THE HON. THE ACTING COLONIAL SECRETARY:** That is so, Sir.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** So the hon. mover's amendment No. 3 is not really meeting the point?

**THE HON. T. J. O'SHEA:** Am I to understand he has the power to do that? It specifically says in this Bill that he cannot raise the rate above a certain figure.

**THE HON. THE ACTING COLONIAL SECRETARY:** I spoke subject to that proviso, with which we have not yet dealt. The reason I did not mention the proviso was that the other day I intimated the Government's readiness to delete it, Sir.

**THE HON. T. J. O'SHEA:** Your Excellency, it has not yet been deleted, and I hope it will not be. What I want to be clear about is that if it is not deleted then the Governor in Council may only vary the rate within the limits prescribed?

**THE HON. THE ACTING COLONIAL SECRETARY:** That is so, Sir.

**HIS EXCELLENCY:** The question is that clause 4 be amended in the following respects:—

- (a) By the deletion of the last four lines thereof.
- (b) By the addition at the end thereof of the following words:—

"and to exempt from the levy any class of persons or any person, who in the opinion of the Governor in Council would suffer undue hardship by reason of the imposition of the levy."

- (c) That the clause be renumbered "4. (1)" and that the following sub-clause, to be numbered (2), be added thereto:—

"(2) It shall be lawful for the Governor in Council, at the request of a local authority, by order to impose a levy at a rate to be specified in such order on the salary of any officer of such local authority: Provided that no such levy shall be imposed under this sub-section unless a levy under sub-section (1) of this section is in force, and no levy under this sub-section shall be imposed at a rate higher than the rate of levy for the time being in force under sub-section (1) of this section."

The question was put and carried.



COL. THE HON. W. K. TUCKER: I beg formally to move the amendment which meets what I think is the general feeling on this side of the House, that the proviso be deleted.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I should like to support that, Sir.

THE HON. T. J. O'SHEA: I should like to have a case made out for that, because I have the strongest possible objection to it in any levy the Governor in Council a blank cheque to impose Servants. I do not think the House ought to do anything of the sort. It ought to place some limit beyond which the Governor cannot go, and if this is fixed here at 10 per cent that will meet the case. I am prepared to consider a suggestion for the varying of that figure, but I have the strongest possible objection to giving the Governor, but Council absolutely a blank cheque with no limitations whatever to the imposition of whatever levy he thinks fit on the salaries of the Civil Servants.

COL. THE HON. W. K. TUCKER: In response to the hon. Member's desire that a case should be made out, I need say only this: that there was in the Select Committee's Report a difference of opinion as proposed levy. Members on this side of the House—unfortunately, great deal of time in considering this Bill, and in particular this happens not too much consideration was given to this point raised by the hon. Member to-day, but having regard to this fact, that it does not bind the Government to £50,000 which they have chosen to insert in Members' case is concerned.

The point was made yesterday, Your Excellency, or the day before, that in case a further sum had to be found it was inevitable that something more than ten per cent would have to come out of the higher salaries. There was a sub-committee report on this matter—agree themselves, he did agree that the rate should be ten per cent, which would have to be found if this proviso remained in.

THE HON. T. J. O'SHEA: Your Excellency, I am not in the least perturbed at being in a minority of one in this matter, so long as I am right. But from the very beginning I regarded this as bad legislation, and the more I see of it the more convinced I am that it is bad. I cannot agree to waive my objection to giving the Governor in Council a blank cheque to impose on any citizens of this Colony whatever levy the Governor in Council may think fit, but to meet the needs of Government I am prepared to agree to any reasonable alteration in that clause, so as not to hamper Government in any way in carrying out its functions, and if necessary I am prepared to agree to this, to vary it up to 15 per cent on £1,000 and not to exceed amount. But I do insist that you must place some limit beyond that it is entirely wrong that this House should pass a Bill to enable the Governor in Council to impose whatever tax he thinks fit. In principle I agree in advance that he may do as he thinks fit, but it is a wrong principle, and it is not fair to the Governor or anybody else, and I hope my colleagues will agree, if only from that point of view, that it would be better if we placed limitations up to the amount I have suggested.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, so far as I am concerned, I should be agreeable to that.

HIS EXCELLENCY: As far as the Government is concerned, we should prefer the deletion of the proviso altogether. The Governor will have to decide what levy will be made.

THE HON. T. J. O'SHEA: Your Excellency, that being the case, may I then formally move an amendment that we substitute the following:—

"Provided that no levy may be imposed under this section at a rate higher than 15 per centum of the chargeable salary of any officer up to £1,000 and not exceeding 30 per centum of the chargeable salary of any officer over £1,000 and up to £2,000 and not exceeding 25 per centum of the chargeable salary of any officer over £2,000."

HIS EXCELLENCY: Perhaps, to avoid confusion, it would be as well to deal with this amendment first, and get it out of the way. There is an amendment to the amendment by the hon. Member for Plateau South:—

"Provided that no levy may be imposed under this section at a rate higher than 15 per centum of the chargeable salary of any officer up to £1,000 and not exceeding 30 per centum of the chargeable salary of any officer over £1,000 and up to £2,000 and not exceeding 25 per centum of the chargeable salary of any officer over £2,000."

THE HON. T. FITZGERALD (POSTMASTER GENERAL): I should like to propose an amendment to the effect that the figure "15 per cent" in the proviso be altered to "20 per cent" as a general maximum.

HIS EXCELLENCY: That is a third amendment now.

THE HON. T. J. O'SHEA: Your Excellency, I shall have great pleasure in withdrawing my amendment in favour of that if I have an assurance from the Colonial Secretary that Government is not tied down to any general levy of 20 per cent.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency, I can give that assurance.

COL. THE HON. W. K. TUCKER: I also wish to withdraw my amendment, Your Excellency.

HIS EXCELLENCY: There is a subsequent amendment to the main amendment that the word "twenty" be substituted for the word "ten" in line 2.

The question was put and carried.

Clause 6.—Authorized officers of local authorities may deduct levy from salary.

THE HON. T. J. O'SHEA: In clause 6 I have to move a deletion, but I should like to ask first of all whether, in view of the decision we have arrived at in clause 4, it may not be necessary to leave it in and to vary it.

THE HON. THE ACTING COLONIAL SECRETARY: I was about to move a slight amendment, with the leave of the House, that the first line be deleted and the following substituted therefor:—

"When a levy is imposed under sub-section (2) of section 4 of this Ordinance."

That brings it into line with the amendment which has already been accepted, Sir.

The question was put and carried.

Clause 7.—Levy collected by local authority to be paid to Treasurer.

THE HON. T. J. O'SHEA: In view of the decision arrived at regarding clause 4, there is another consequential amendment required. "All levy collected from officers employed by a local authority shall be paid forthwith by such local authority to the Treasurer." Does that mean that if a local council were to decide to have a levy that Government would not be allowed discretion to allow the saving to remain in the funds of the local authority?

**THE HON. THE ACTING COLONIAL SECRETARY:** We are dealing here, Sir, with State taxation, but nothing in this or any other measure necessarily hampers the discretion of the Government, with the leave of this Council, to make grants to any local authority in any circumstances. The principle embodied here is that of raising State taxation for the benefit of the Colony as a whole, and I do suggest, Sir, that that is a fit and proper one and should remain.

**CAPT. THE HON. H. F. WARD:** If that is done a very unfortunate position would arise in regard to Nairobi. The servants of the municipality, before this Ordinance was published, put up a voluntary offer for a levy on their salaries. If the Corporation feels very strongly about this—that a levy on salaries should go to Government revenue and not be retained by themselves—the net result might be that the servants would withdraw their offer and the Corporation refuse to make an application under this Ordinance, and Government would not get it anyway.

**THE HON. T. J. O'SHEA:** That is another argument, Sir, in favour of the deletion of this, that there would be considerable reluctance on the part of local authorities to ask Government to impose a levy if this clause is adhered to, whereas, if it is deleted, and the local authorities are allowed to take the proceeds of any levy, it will give the local authority a larger amount of money for general purposes.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, in support of the deletion of this, I should like to point out, what the hon. Member for Plateau South said, that it really makes that proviso (that extra section) put into section 4 a complete waste of time, because it would never be applied.

**THE HON. THE ACTING COLONIAL SECRETARY:** Your Excellency, I think I could express Government's views with more readiness on this matter if I knew what the suggested amendments to clause 8 will be. My difficulty is that, though it is very easy to accept the deletion of clause 7—because it merely deals with the machinery—it is clause 8 which deals with the ultimate destiny of the levy. If I correctly understand what has been said, Sir, the deletion of clause 7 will entail the amendment of clause 8. The amendment of clause 8 would make clause 7 meaningless, and, if I correctly understand it, Sir, clause 8 should read, to meet the views of hon. Members opposite:

"The proceeds of the levy on officers of the public service shall form part of the general revenue of the Colony."

And, as a sub-clause:—

"The proceeds of the levy on officers of a local authority shall be paid to the funds of such local authority."

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Yes, that would meet us entirely.

**THE HON. THE ACTING COLONIAL SECRETARY:** I merely want to get the position clear.

Then, Sir, I beg to move that clause 7 be deleted and the subsequent clauses renumbered accordingly.

The question was put and carried.

Clause 8.—Levy to form part of general revenue.

**THE HON. THE ACTING COLONIAL SECRETARY:** I beg to move that this clause be renumbered "7" and also be numbered sub-clause (1), and that it reads:—

"(1) The proceeds of the levy on officers in the public service shall form part of the general revenue of the Colony."

**THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT (MR. W. M. LOGAN):** Before that is passed, may I suggest that local authorities are definitely empowered in the

Statutes that constitute them to raise taxation for general local purposes, and it appears to me that if an additional power of taxation be made to the Local Government, (District Councils) Ordinance and they are empowered to raise a taxation Ordinance. The taxation that where the officers of local government bodies are also landholders in the district in which they are employed; consequently, if the district officers in their employment may be doubly taxed—he would be taxed on his land holding and he would be taxed also on his salary. I do suggest that as this is a levy based on the principle of equal sacrifice for the Colony's good, that any moneys that do come from officers of quasi-government services should go to the general revenue, and not into the local revenues.

**LT.-COL. THE HON. C. G. DERHAM:** For the comfort of the last speaker, he can take a definite assurance that we are not going to raise any taxes on the land. We are going to carry on with what officer being doubly taxed.

**CAPT. THE HON. H. F. WARD:** The hon. the Acting Commissioner for Local Government, Lands and Settlement gives a very lackheaded and the position of an officer of Government who owns land, who is taxed by a local authority and is taxed by Government? Exactly the same.

**THE HON. THE ACTING COLONIAL SECRETARY:** May I say one word—we are not in this measure placing any powers in the hands of the Commissioner for Local Government; we are not conferring power to exercise of power to tax, but that power is vested in the Governor in Council, and I think that is sufficient safeguard against the arbitrary abuse of the rating powers, Sir, and an adequate safeguard for the interests of the officers of local authorities.

So far as the destination of the tax, Sir, is concerned, I have Your Excellency's authority to state that Government will accept the amendment that these should form part of the revenues of the local authorities.

**THE HON. THE ACTING CHIEF NATIVE COMMISSIONER (MR. A. DE V. WARD):** On a point of explanation, can you tell me whether Local Native Councils are local authorities within the meaning of this Act? There are certain servants that might come into the picture.

**THE HON. THE ACTING COLONIAL SECRETARY:** Local Native Councils are not local authorities under any statute. They had, in fact, to be definitely mentioned in a recent enactment for that very reason.

**HIS EXCELLENCY:** The question is that new clause 7 be renumbered "7. (1)", and that between the words "levy" and the word "shall" in the first line thereof there be inserted the following words: "on officers in the public service"; and that there be added as sub-clause (2) the following:—

"(2) The proceeds of the levy on officers of a local authority shall form part of the revenue of such local authority."

The question was put and carried.

Clause 8.—Exemption.

**THE HON. CONWAY HARVEY:** I have a small amendment under sub-section (c). I gave notice of an amendment that the penultimate word of sub-section (c), first line—"two"—should be deleted and the word "one" substituted therefor. I think to some extent that is a natural corollary of the alteration that was made in section 4. If we can stretch one end of the elastic we might just as well stretch the other. Moreover, there is no intention still further of penalizing the



under-dog. Forty shillings is a good deal of money when considered in relation to the six shillings per head of native taxation. In many areas, Sir, the Public Works Department and other departments have quite loyally brought their native wages into line with the wages paid in other spheres of activity, and I suggest, Sir, that power should be given to make a reduction to twenty shillings—that the levy should be made on salaries of less than forty shillings if circumstances justify such a course.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** I support that amendment on slightly different grounds. The sub-committee on which I sat went into the question of native salaries, and we were told that roughly speaking up to £1 was casual labor, which was not on any definite agreement, and that over that was for people on more or less permanent agreements. If you keep in this £2 it means the lower-paid native, such as shamba boys and such like, who are getting a considerably reduced salary now, would be penalized. Those over £2—which comes down, I think, to corporals and so forth—they would be cut, whereas lance-corporals and privates and such other people would not be cut at all. I believe that £1 instead of £2 would really be a much fairer place to make the division, Sir.

**THE HON. THE ACTING COLONIAL SECRETARY:** I would, Sir, earnestly ask hon. Members not to press this amendment. I think I may say, Sir, there are grave difficulties in the way of the acceptance of such an amendment. To a large extent wages throughout the many branches of the Territory have already been related in terms of wages in other industries. There may be certain anomalies, such as those that have been stressed, but the point that I want to make is this: Is it worth possibly wrecking the ship in the interests of this amendment? Hon. Members are, I think, aware that this legislation has been considered not only in the adjoining territories but also in London, and Sh. 40 has been considered a fair minimum wage to take. Hon. Members may have read that in the corresponding legislation in Tanganyika Territory the limit has been raised to Sh. 70. This is an offer made, and made without reservation, by the Service. It would be a disaster if, because of a reduction such as this, we were some little time later told that the non-disallowance would not take place. Taxation measures cannot be made retrospective, and I suggest it would be a sheer disaster if this legislation were disallowed because we were considered at the last moment to have made provisions against the lowly-paid African servant which we had never suggested and never disclosed in previous correspondence.

**LT.-COL. THE HON. C. G. DURHAM:** I am sorry, but I am going to support the Noble Lord on this from one point of view; in the King's African Rifles it seems rather hard that only the sergeants will be cut.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Corporals also.

**LT.-COL. THE HON. C. G. DURHAM:** And senior corporals. With regard to the lowly paid African servant, I do suggest that Sh. 40 is not a lowly paid African.

**LT.-COL. THE HON. J. G. KIRKWOOD:** Your Excellency, having listened to the hon. the Acting Colonial Secretary, I do not intend to press the point for the reason that he has disclosed, but otherwise I am most definitely of opinion that any amount over Sh. 20 should have been included in the levy.

**HIS EXCELLENCY:** The question is that new clause 8, sub-clause (c), be amended by the deletion of the words "two pounds" and the substitution thereof of the words "one pound."

The question was put and lost.

**Title.**

**THE HON. T. J. O'SHEA:** Your Excellency, I wish to move that the title of the Bill be made to read "A Bill to Levy an Income Tax on Officials." My purpose in doing this is to make it perfectly clear

to those who have unwittingly given their approval to this legislation and who, it would seem, are so much opposed to the imposition of income tax as a part of the taxation system of this country, that you have in this Bill—there is no question about it—applied the principle of income tax, but you have done it without any of the safeguards to ensure equity that are usual in an income tax bill; you have disguised the fact and tried to cover up the bad legislation by giving it a title that does not properly express the intention of the Bill. I shall not press the point, but I do want to make this point, that you have adopted the principle of income tax in the taxation system of this country without, the country knowing it.

**HIS EXCELLENCY:** I understand the hon. Member will not press the amendment?

**THE HON. T. J. O'SHEA:** I shall not press the amendment, Sir.

**THE LEVY ON SALARIES (TRANSPORT SERVICES) BILL.**

The Bill was considered clause by clause.

**Clause 1.—Short title and commencement.**

**THE HON. THE ACTING COLONIAL SECRETARY:** In moving the second reading of this Bill very shortly a few days ago, I conveyed an apology to the House for an unfortunate error that was made. The corrected "tax" throughout, was left in the file, and an old copy was sent to move through the Government Press. Therefore I am afraid I shall have to move throughout, Sir, that the word "tax" be deleted wherever it occurs and the word "levy" substituted therefor. This is the first occasion in clause 1.

The question was put and carried.

**Clause 3.—Deductions allowed.**

**THE HON. T. FITZGERALD:** I suggest that a corresponding amendment to that made in the last Bill might be made here.

**THE HON. THE ACTING COLONIAL SECRETARY:** The amendment regarding life insurance premia, I am not sure how far it might possibly affect the position of servants of the Irish Commissioner who contribute to the provident fund. I should like to expand the wording; it would have to be varied so as to provide that no deduction would be made of any amount larger than the contribution to the Widows' and Orphans' Pensions Scheme or the compulsory deposit in the hon. the Director of Agriculture can tell me whether there is likely to be any danger.

**THE HON. THE DIRECTOR OF AGRICULTURE (MR. A. HOLY):** There is certainly a Provident Fund, to which officers in the Railway Administration are obliged to contribute.

**HIS EXCELLENCY:** The Postmaster General will move an amendment similar to the corresponding one in the Colony Bill.

**THE HON. T. J. O'SHEA:** I should like to support that. I think it is very necessary to apply the same principle to the two branches of the service.

**THE HON. T. FITZGERALD:** I move that clause 3 be amended by the deletion of the full stop at the end of the clause, by the substitution of a comma therefor, and by the addition at the end thereof of the following words:—

"or if he is not a contributor to the Widows' and Orphans' Pensions Scheme or to the Provident Fund, the amount of the premium which he pays on a life policy, provided such premium does not exceed the amount which the officer would contribute if he were a contributor to the Widows' and Orphans' Pensions Scheme or to the Provident Fund."

The question was put and carried.

**Clause 4.—Power to impose levy on salaries.**

THE HON. THE ACTING COLONIAL SECRETARY: In the first paragraph the word "tax" occurs three times and will require alteration in each case. Further, Sir, in the proviso the word occurs once, and I take it, Sir, that we desire unanimity, so in the proviso the figure "10" should be deleted and the word "twenty" substituted therefor.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I believe there was an amendment in my name on this point, but with the leave of the House I wish to withdraw it.

The question was put and carried.

**Clause 5.—Chief Accountant may deduct levy from salary.**

THE HON. THE ACTING COLONIAL SECRETARY: In this clause I move the same amendment at the end of the fourth line—that the word "levy" be substituted for the word "tax," and correspondingly in the marginal note.

The question was put and carried.

**Clause 6.—Levy to form part of Railways and Harbours Fund.**

THE HON. THE ACTING COLONIAL SECRETARY: The same amendment here, Sir, and also in the marginal note opposite.

The question was put and carried.

**Clause 7.—Exemptions.**

THE HON. T. J. O'SHEA: I beg to move the deletion of sub-clause (a). I see no reason whatever, Sir, why the official emoluments of the High Commissioner should not be subject to the levy. I intended rise to a similar deletion in the other Bill, but it might have given Bill. The High Commissioner is in no sense occupying the position that necessitates the application to him of a very wise provision of the British Constitution. In this case he is acting unquestionably solely as an officer appointed by this Government, and I see no reason whatever why he should be exempt. There is nothing personal in this matter, seeing that circumstances are as they are and that Your Excellency has already voluntarily agreed to the levy, so I hope the principle will be recognized. There is no need to exclude the High Commissioner from the provisions of this Ordinance.

THE HON. THE ACTING COLONIAL SECRETARY: I do suggest, Sir, that the answer to the hon. Member's amendment has been given by me to make a voluntary contribution of the same amount. But, at the same time, Sir, I think the constitutional position has been rather under-stated because, so long as Your Excellency occupies the dual and difficult position of Governor of this Colony and High Commissioner for Transport, the provisions of Article X of the Kenya Colony Order in Council most certainly will apply, and that exemptia from the purview of the courts of the country the official or other property of the Governor. The words "other property" would certainly, Sir, Your Excellency draws as High Commissioner. And there is another point, Sir. The special consent of the Secretary of State has been obtained in this matter in relation to Your Excellency's participation in it, and I do not wish hon. Members to do anything to alienate the support which the Secretary of State has given or possibly cause him to change his mind on that matter.

THE HON. T. J. O'SHEA: I felt certain I was going to get some such answer. The answer being as it is, it adds still further to my objections to the way in which the purposes of Government have been handled in these Bills. I think it is most inadvisable indeed that we should have introduced legislation to enable us to reduce the emoluments of certain officers of the Service and not of others. It had the

authority of this House to increase the salary of the High Commissioner at the time we did, and I suggest we should have the right of this to regulate or decrease it if we wish to. I am merely taking advantage of this to register my protest. I shall not press the amendment.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I think there is another amendment in my name to sub-clause (2), which, with the leave of the House, I beg to withdraw in view of what has been said on the other Bill.

**Clause 8.—Duration of Ordinance.**

THE HON. T. J. O'SHEA: May I ask why it is that in this Bill there is a specific date mentioned up to which it may remain in force and shall then expire? That is rather different from the provisions of the other Bill.

THE HON. THE ACTING COLONIAL SECRETARY: The wording is exactly the same, Sir. It is introduced as temporary legislation.

THE HON. THE ACTING COLONIAL SECRETARY: The word "levy", Sir, should be substituted for the word "tax".

The question was put and carried.

**THE 1932 APPROPRIATION BILL, 1931.**

The Bill was considered clause by clause.

**Schedule.**

HIS EXCELLENCY: Do you wish to take the Schedule *en bloc*, or item by item?

LT.-COL. THE HON. LORD FRANCIS SCOTT: *En bloc*, I think.

HIS EXCELLENCY: The question is that the Schedule stand part of the Bill.

The question was put and carried.

THE HON. THE ACTING COLONIAL SECRETARY: Your Excellency I beg to move that the 1932 Appropriation Bill be reported to Council without amendment, and that the Entertainments Tax Bill, the Levy on Official Salaries Bill and the Levy on Salaries (Transport Services) Bill be reported to Council with amendment.

The question was put and carried.

*The Council resumed its sitting.*

HIS EXCELLENCY: I have to inform Council that the 1932 Appropriation Bill has been considered clause by clause in Committee of the whole Council and has been reported to Council without amendment; and that the Entertainments Tax Bill, the Levy on Official Salaries Bill and the Levy on Salaries (Transport Services) Bill have been considered clause by clause in Committee of the whole Council and have been reported to Council with amendment.

**THIRD READINGS.**

**THE ENTERTAINMENTS TAX BILL.**

THE HON. THE ACTING COLONIAL SECRETARY: I beg to move that the Entertainments Tax Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

## THE LEVY ON OFFICIAL SALARIES BILL.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to move that the Levy on Official Salaries Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

## THE LEVY ON SALARIES (TRANSPORT SERVICES) BILL.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to move that the Levy on Salaries (Transport Services) Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

## THE 1932 APPROPRIATION BILL.

THE HON. THE ACTING COLONIAL SECRETARY: I beg to move that the 1932 Appropriation Bill be read a third time and passed.

THE HON. THE ACTING ATTORNEY GENERAL: I beg to second.

The question was put and carried.

The Bill was read a third time and passed.

*The Council adjourned for the usual interval.*

*On resuming.*

HIS EXCELLENCY: I am sorry to announce that the Acting Colonial Secretary has suddenly become ill and has had to leave the Council.

## MOTIONS.

## REPORT OF PUBLIC WORKS DEPARTMENT COMMITTEE.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, there is a motion standing in my name:—

“That the Report of the Committee of Inquiry into the administration of the Public Works Department should be published in the public interest.”

I understand that Government are going to make an announcement.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Your Excellency, I have to state on behalf of Government that Government is prepared to publish the Report of this Inquiry together with the other relative papers which have been put up to Government as a result of that Inquiry.

LT.-COL. THE HON. LORD FRANCIS SCOTT: In view of Government's reply, I beg the leave of the House to withdraw the motion standing in my name.

The motion was by leave withdrawn.

## THE WIDOWS' AND ORPHANS' PENSION ORDINANCE.

CAPT. THE HON. H. F. WARD: Your Excellency, I beg to move:—

“That this Council is of the opinion that the provisions of the Widows' and Orphans' Pension Ordinance are not consonant with modern Pensions and Insurance practice; it is further of opinion that its application in certain directions bears most harshly and inequitably upon those it is supposed to protect. This Council therefore prays His Excellency the Governor to appoint a Committee of investigation with a view to making recommendations upon broad lines for the recasting of existing legislation, the terms of reference to such a Committee also to include a review of the European Officers' Pensions Ordinance.”

I think I should first of all justify the fact that a resolution so long and with such a wide scope should be introduced from this side of the House, and I wish to assure hon. Members on the other side of the House we fully realize that the scope of that Ordinance affects them on account of the payments made by them. I wish first of all to plead the case of the application of this Ordinance to officers who have been or are likely to be retrenched from the Government Service. In doing so, such a number of other points are raised that I feel time would not be wasted in putting them forward from a business point of view for the consideration of Government and those concerned.

Sir, the case in respect of retrenched officers is an extremely hard one. As it now stands, the married officer who is retrenched loses the whole of his contributions to this fund, and the unmarried officer loses half his contributions to the fund. That, Sir, would be justified perhaps to some extent if Government in turn had incurred any commitment in the shape of the purchase of premium on behalf of those officers, but in fact they have not, and the whole of the proceeds contributed under this Ordinance go into the general revenue of

the Colony and at this date reach a very high figure indeed. That that it out of consonance with modern insurance practice I am sure this House will agree, and I should like to read the provisions covering this particular subject in a pension insurance scheme that is very widely applied at home. If anybody retires from the scheme in this case they get a refund of the total contributions together with 3 per cent compound interest, or they get a fully secured pension payable at a stated age for such an amount as the contributions already paid would secure, or they can continue to subscribe to the fund.

The case, Sir, becomes very much more harsh in certain specific cases. I should like very briefly to outline one, and that is those officers of Government who are brought into this country for specific loan works. Those officers, Sir, were fully aware when they arrived in the country that they would only have a service in the Colony of five years. The Ordinance affecting that particular point is not very clear. In an earlier provision of the Ordinance the contribution is fixed and is payable by those on temporary employment, but in clause 4 (c) "persons temporarily employed on special missions" are exempt. I should like to have believed that a certain number of these cases, that is, the loan staff of the Public Works Department, who came here for a very limited time, should be exempt under clause 4 (c). The position in regard to these officers is that their maximum service could only have been five years in the Colony, yet during that time in order to get any benefit under this scheme the greater proportion of them would have to marry, would have to die, and would have to leave a widow and orphans behind them—all in the short space of five years. I understand that the contributions to that fund total £5,000 and that the total commitment incurred is a gratuity of £57 a year. I do not want to take up the time of the House, which is already short, on this particular subject, but I should like to stress the position of bachelors generally under the scheme. What it comes to is this. An officer who is not married pays steadily until his contribution ceases, and at that time Government then pay back one-half only of the contributions he has made. If it is a long term of service it comes to this, Sir, that Government have made a bet with that official that he will not get married, and when he wins the bet after a long period of service Government retain half the stakes.

There are a number of other points which I do not want to stress at this particular moment but I do think anybody who looks into the general provisions of the scheme will be satisfied that some general inquiry is called for. That period of review occurs at ten-yearly periods. This year is the first of those periods and is a very opportune moment to do so.

There is one final point and that is this; if you take the total commitments of Government under pensions, which I am told for 1932 amounts to £57,000—that is not the actual commitment already incurred but the current liability in respect of pensions maturing—the contributions under the Widows' and Orphans' Pension Fund amount to something like £167,000 already and the contribution annually is in the neighbourhood of £25,000 a year. I think it is well worth the consideration of Government whether they could not, under modern practice, obtain very nearly the same terms under all the heads of the commitments of Government in respect of both 'pension and Widows' and Orphans' Pension Fund. I believe, Sir, from what I know of the subject that they very nearly could do so.

In conclusion, I should like to say just this, that the examination I have been able to make in this respect does show that the benefit accruing under this Ordinance is on the whole on a more generous scale than could be secured in private practice. Unfortunately there are not sufficient details available to come to a definite conclusion, but taking the average liability under this scheme as fixed by the officer of the Treasury with whom I discussed it, to secure that sum—that is, the average risk—under an ordinary commercial insurance policy would probably cost slightly more than the average contributions made to it by the Government officers.

Finally, I should like to say this: my thanks are due to the hon. the Treasurer for the help that he and his department have given me in this respect because I do not think any Member on this side of the House could have produced a resolution of this sort without obtaining that full examination which was accorded to me.

If Government cannot accept the resolution as it stands I do hope that we may obtain some assurance that consideration will be given to the cases of those officers of Government who have been retrenched.

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is—

"That this Council is of the opinion that the provisions of the Widows' and Orphans' Pension Ordinance are not consonant with modern Pensions and Insurance practice; it is further of opinion that its application in certain directions bears most harshly and inequitably upon those it is supposed to protect. This Council therefore prays His Excellency the Governor to appoint a

Committee of investigation with a view to making recommendations upon broad lines for the recasting of existing legislation, the terms of reference to such a Committee also to include a review of the European Officers' Pensions Ordinance."

**THE HON. THE TREASURER (MR. H. H. RUSHTON):** Your Excellency, I was not prepared to speak on this subject this morning but I can say that the points raised by the hon. Member for Nairobi North are before Government at the present time. The schemes have been criticized from the various angles which have been mentioned, not only here but elsewhere, and this being the tenth year of the life of the scheme it falls for review if the Secretary of State so decides. I think that these points really call for consideration, although they are not quite as bad as people seem to think because each case has been covered for a certain period of time. In moving the motion the hon. Member gave an example but it would be rather difficult to follow that too far—it would be rather like a man taking out an insurance policy on his life for a voyage and because he was not killed during the voyage wanting his premium back again. I think the scheme was designed by the Secretary of State to give the maximum benefit with the maximum security, but the Government will consider in what way they feel they can best deal with this matter; I can give an assurance that these points will be considered.

**LT.-COL. THE HON. LORD FRANCIS SCOTT:** Your Excellency, I will not detain the time of the House. I should like to say—I think I am speaking for Elected Members when I say we are very much in sympathy with the spirit underlying this motion. For many years the question of this fund has been open to great criticism and we trust it will be very thoroughly investigated and put on to as sound a basis as possible.

**LT.-COL. THE HON. C. G. DURHAM:** I am not going to waste the time of the House in this matter but I should like to ask the hon. the Treasurer why he put up the remark he did about a man going on a voyage and then wanting his insurance premium back because he was not killed at that time. Was he compelled so to do? Because in this case your temporary officer is compelled by Government to pay to the Widows' and Orphans' Fund whether he likes it or whether he does not. That is my whole point. It is definitely to my mind utterly unjust on the part of Government to compel a man that they tell will only be in the service for a temporary period to subscribe to the Widows' and Orphans' Pension Fund. It would be, I think, very much better to

put in the money he pays to Government to an ordinary insurance company and he then would be covered for the rest of his life, but what happens here? He pays for several years but when the payments cease the cover ceases virtually. To my mind that is quite wrong and I would ask Government whether it is prepared to accept the motion put up by the hon. Member for Nairobi North.

**HIS EXCELLENCY:** As far as Government is concerned I am afraid I can give no further undertaking. I believe the matter is before the Secretary of State now and we certainly will send a copy of this debate home and it will be considered. Government can give no further undertaking than that.

**LT.-COL. THE HON. C. G. DURHAM:** In that case, Sir, may I be allowed to move an amendment: in the fourth line to add, after "insurance practice", the words "in so far as it applies to retrenched officers of Government"; in the fifth line to substitute for "in certain directions" the words "in such cases"; and to delete all words after "recommendations" in the tenth line.

**COLONEL THE HON. W. K. TUCKER:** Your Excellency, I have pleasure in seconding the amendment on the very clear understanding that it is acceptable to the hon. mover of the substantive resolution.

**CAPT. THE HON. H. F. WARD:** Having received an assurance from Government that it will consider in what way it can best deal with the matter, I have very much pleasure in withdrawing my motion in favour of the amendment.

**HIS EXCELLENCY:** The effect of the motion is that it prays Government to appoint a committee of investigation, the terms of reference to such a committee to include a review of the European Officers' Pensions Ordinance. Well, as I say, the matter is now being dealt with at home and I can do no more than promise that these representations will be made to the Secretary of State. As far as Government is concerned, I do not see the advantage of appointing a committee here and now to go into this complicated matter.

**CAPT. THE HON. H. F. WARD:** Might I read the resolution, as amended by the hon. Member?

**HIS EXCELLENCY:** Yes.

**CAPTAIN THE HON. H. F. WARD:**—

"That this Council is of the opinion that the provisions of the Widows' and Orphans' Pension Ordinance are not consonant with modern Pensions and Insurance

practice in so far as it applies to retrenched officers of Government; it is further of opinion that its application in such cases bears most harshly and inequitably upon those it is supposed to protect. This Council therefore prays His Excellency the Governor to appoint a Committee of investigation with a view to making recommendations."

**THE HON. T. J. O'SHEA** : Speaking to the amended resolution, Sir, I say, without intending the slightest disrespect to the Secretary of State for the Colonies, that I do not see what he has to do with it. It is a matter for the Government of this country. These officers are servants of this Government, they are forced to make these contributions, which go into the general revenue of this Colony, and it is this Government which has to decide what benefits they are going to get from their claims, and I feel it is rather barking the dog to throw the onus on the Secretary of State, who is not conversant with the facts, who may not have that local knowledge which is necessary to enable a fair decision to be made, and I think, Sir—as he has, of course, constantly to be consulted in the matter—that he would be greatly assisted in arriving at a wise decision if he had the benefits of the recommendations of a committee which has inquired into the facts on the spot. I therefore support the resolution.

**HIS EXCELLENCY** : With the leave of the House I will ask the hon. the Treasurer to make a statement on the amendment.

**THE HON. THE TREASURER** : On a point of explanation, Sir, the real cost and expense of the scheme lies equally with Uganda, Tanganyika, Somaliland, Zanzibar and Nyasaland. I see no objection to the motion as amended being accepted by the Government.

**HIS EXCELLENCY** : The question is that the motion as amended be approved.

The question was put and carried.

#### ROAD SURVEY OF THE COLONY.

**HIS EXCELLENCY** : With the leave of the House I will ask to have the motion which comes first on the Order Paper to be taken before the others, and in place of the Acting Colonial Secretary I will call upon the Acting Commissioner for Local Government, Lands and Settlement.

**THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT** : Your Excellency, provision for the surveys of roads in this Colony was originally

made to the extent of £25,000 in the preliminary loan, and staff to carry out these surveys has been employed in the Colony from 1927. In the early part of 1930 the provision of £25,000 previously granted came to an end and, acting on the advice of the Central Roads and Traffic Board, certain allocations were made during 1930, and again during 1931, as stated in the motion, in order that that staff should be retained to continue its work until the end of this year. Arrangements have been made for the discontinuance of the engagement of most of the loan staff hitherto engaged out of loan funds but the importance of continuing road survey work as an integral part of development has been recognized and provision in the Estimates has been made, with the approval I think of hon. Members opposite, for the retention of two European surveyors on the permanent staff of the Public Works Department. That, Sir, will enable the very important work—which had been commenced during this year—of surveying the main roads of the Colony and the main lines of public travel to be continued, and of the importance of that I feel sure everybody will be in agreement. I beg Sir, to move the motion on the Order of the Day.

**THE HON. THE ACTING ATTORNEY GENERAL** : Your Excellency, I beg to second the motion.

**HIS EXCELLENCY** : The question is :—

"Be it resolved that this Council hereby approves the expenditure of a sum of £8,950 upon the purpose specified in the Schedule hereto as a charge against Loan Funds and further approves provision being made therefor by a reallocation of the amount from :—

#### Communications :

Feeder Roads	£5,450
Makupa Causeway	£3,500
	<u>£8,950</u>

#### SCHEDULE

#### Communications :

Road Survey of the Colony ... £8,950."

**THE HON. CONWAY HARVEY** : Your Excellency, we are very glad to hear that provision has been made to some extent for this very important work but we do feel, Sir, that we are entitled to some further details as to how the £8,950 will be spent. The hon. mover indicated that it would be spent on a survey of the main lines of communication. That is all right, Sir, but we consider that the order of priority of this very

important road survey work should be entrusted to the investigation of some competent body such as the Central Road Board. We think it very important indeed that the first work should be done in the closely settled areas and that money and time and energy should not in these times be expended in surveying roads away in the blue.

One matter, Sir, to which I would draw the very serious attention of Government is the extreme importance of placing on their proper permanent alignment at the earliest possible moment scores of district roads in the closely settled areas of the Colony. That problem, Sir, becomes more and more difficult every day. In the absence of a proper survey and a proper alignment and the gazettement of these roads, encroachments of divers sorts are being made every day. People are planting coffee right up to the margin of existing roads, erecting buildings and constructing fences, which means that if the survey of these roads is delayed very much longer Government will have to face an enormous delay in the re-acquisition of the necessary alignment in order to have a proper road system.

MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE: Your Excellency, I would like to ask how that money, £3,500 for Makupa Causeway, has been saved, if it is a saving. I should like to know also if the word "Protectorate" has not been left out. Should it not read "of the Colony and Protectorate"?

THE HON. T. J. O'SHEA: Your Excellency, I should like to ask the hon. mover how it comes to be money to be provided for a road survey of the Colony? Are we to understand it is to cost £3,500 for the surveying of the Makupa Causeway?

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: It is savings.

THE HON. T. J. O'SHEA: I apologize.

One thing I want very definitely to correct in this matter. That is, the hon. mover stated that it was agreed by hon. Members on his side of the House that two road surveyors should be retained on the permanent staff of the Public Works Department. The understanding was that two men would be taken on to the establishment of the Public Works Department to carry on this work of surveying the roads but I do not think any undertaking was given that approval would be forthcoming or otherwise for the retention of these men on the permanent establishment, an entirely different thing, and I should like an assurance that these men are not being taken on the permanent establishment but retained on the establishment until this work is carried out.

11th December, 1931

HIS EXCELLENCY: If no other hon. member would like to speak I will call upon the hon. mover to reply.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Your Excellency, the hon. Member for the Lake asked me to indicate in what way the sum will be spent but the position is that the motion provides for the provision or the reallocation to cover money already spent. The whole of the sum of £8,950 by the end of the year will have already been spent but in so far as the future work of the road surveyors, for which provision has been made in the Public Works Department Estimates, is concerned I can I think give him an assurance that the programme of work to be carried out by these officers will from time to time be put before the Central Roads and Traffic Board. With regard to the savings from Makupa Causeway, Sir, the position is that the original allocation for the cost of the Causeway was in the nature of a round sum and it has been found that the Causeway has been completed for considerably less than £50,000, which was originally provided for it. The position of the two surveyors, for whom provision has been made in the Estimates is that their permanency will presumably be on all fours, Sir, with any other kind of provision made in the Colony's Estimates. The posts will come up every year and should occasion arise for the discontinuance of their services opportunity will be given in the discussion on the Estimates for a case to be made out.

HIS EXCELLENCY: The question is that this motion be approved.

The question was put and carried.

#### REPORT OF TERMS OF SERVICE COMMITTEE.

THE HON. T. J. O'SHEA: Your Excellency, I beg to move:—

"That the Report of the Terms of Service Committee be adopted."

Briefly, Sir, I should like to pay a tribute on behalf of my colleagues to the spirit in which the official Members of that Committee tackled the task that was entrusted to them. They were certainly not less considerate of the rights and privileges of the Service than one would expect a Member of the Service to be. At the same time, they were not unduly influenced by that position and I think it is only fair to say that they were primarily actuated by a desire to make the new terms of service such as were fitting not only to the needs of the Service itself but to the needs of the country,



and the fact that the Report has met with such general approval, not only within the Service but without, is, I think, some testimony to what can be achieved by that spirit of co-operation in the service of the country. I should like to lay some stress on the fact that this Report in its recommendations is in no way connected with the need for sacrifice at the present time by any section of the community. The Committee endeavoured to keep itself as little as possible influenced by the particular needs of the hour and they have endeavoured to frame recommendations that we hope will be suitable to the Service for a period of years to come, whether our financial position be better or worse than it is to-day. In fact, Sir, the recommendations themselves do not of necessity imply any curtailing in the cost of the Service. These recommendations can be applied—if Government so decides and the country so decides—without effecting one penny of saving in the cost. As against that, however, their application can be made to effect very considerable savings and it is the idea of members of the Committee that in applying the terms that they recommend the Government will do so actuated by two ideals: one, of ensuring that the application of these terms is absolutely fair to the Service, that the application of them will not leave the Service discontented in any way, that will not occasion anyone in the service of this country, in the Government service of the country, to have any reason to complain that the remuneration coming from this service is inadequate; and by the second ideal that in the conditions as they are to-day, the conditions of the country in which they are to-day, there must be no extravagance in the terms under which our Civil Service work. It is also necessary perhaps to emphasize that these recommendations do not in any way interfere with contractual obligations. There has been a lot of talk in the House from time to time of late about contractual obligations. I regret the hon. the Acting Colonial Secretary is not here this morning to correct me if I am wrong, but the result of my investigations into this question is I am satisfied that so far as contracts go, the only contract that exists applies solely to substantive pay. That would appear to be a permanent contract, but in all other respects the officers of Government who are on the permanent staff, other than those who are on agreement and short term contracts, are subject to the conditions of the Service from time to time. That is my interpretation of the documents that were placed before us as to the terms on which officers are at present serving. Curiously enough, the legislation that has recently been passed seemed to me at any rate to interfere with that one term of service upon which there is a definite contract.

It will be remembered, Sir, that the Committee was appointed a short time before the Estimates Committee began to sit—or about the same time—and during the progress of the Committee which is the subject of this motion it was asked to report to Government with a view to making its recommendations available for consideration in connexion with the preparation of the 1932 Estimates. Unfortunately the consideration of the 1932 Estimates was completed without anything being done to implement the report of this Committee, but as the legislation passed this morning is of a temporary nature I should like to stress this, that at least equal savings could be made to Government arising out of the recommendations of this Committee and in a way that would, I feel sure, be more acceptable to the vast majority of the Service. I hope, therefore, that Government will implement the promises already made to follow up the recommendations of this Committee. I further hope that it will be able to come to conclusions within the course of the next few months that will enable the effects of that legislation to be withdrawn from the greater part of the Service and that Government may get its savings on the cost of the Service in other ways as recommended by this Committee. Very considerable savings can be effected in the matter of leave conditions and I am confident that savings in that direction, far from being resented by the great majority of the Service, would be welcomed and would be of advantage to the members of the Service themselves in addition to enabling Government to effect economies. The cost of the housing of officers of Government could also be considerably reduced under these recommendations without in any way inflicting hardship, and in that connexion, Sir, seeing that Government is anxious to have all constructive proposals possible from this side of the House, I should like to draw your attention to the comparatively large sums of money that could be secured to Government in the course of the next few years, including next year, by disposing of as large a proportion as you can of the houses at present owned by Government, first of all if you like, officers in the Service, and failing the full amount from them, to others. The amount of State capital invested in that class of property is to-day very considerable and under the recommendations of this Committee it will be unnecessary to retain a very large proportion of those houses. I do seriously suggest that Government finance can be benefited, the public service can be benefited, and the public at large can be benefited by the disposal of some of that property during the next few years. One other item that our investigations disclosed as capable of realizing very considerable savings is furniture. I mention that particularly because in the minds of most people it would appear to be a very minor item, whereas in actual fact we learnt during the



course of the Committee's inquiries—and I also personally learnt in my investigations on another Committee—that furniture is costing the country an amount out of all proportion to its benefit to the Service. The Public Works Department has to maintain a very large staff to deal with this furniture question. I can assure you, when everything is taken into consideration—the maintenance, for instance, of workshops and the maintenance of clerical staff to deal with this question—that the deletion straightaway of this non-contractual obligation of furniture would save the country considerable sums of money, and would not, I think, be resented by the Service. Perhaps the greatest saving of all eventually would be effected by the saving in personnel if the recommendations of this Committee are adopted. When it was urged upon Government within the last few days that to meet the needs of our financial position as we contemplate it next year overseas leave might be stopped next year, it was pointed out to us that one of the strong objections Government had to doing that was because it would have in the country a very much larger number of Civil Servants than were necessary for the needs of the country, a larger number than could be used, and that in fact there would be congestion in Government circles. That, Sir, I think goes to support my view that the adoption of the longer tour that is recommended by this Committee would effect a real saving in personnel. I hope, however, it will not be assumed from that that I am urging any drastic retrenchments in the immediate future. The thing would be gradual, and I sincerely hope with the improvement in the country's condition in the next few years that that surplus would be absorbed into a larger Service.

I should also like to stress the very considerable indirect savings that would accrue to the country by the adoption of these recommendations. Anybody who has gone into the figures will, I think, agree that not less than one-third of a million pounds is taken out of the country every year as a result of the present short period of tour. We have had in the Colony's Estimates something in the neighbourhood of £70,000 for passages. In addition thereto there is one-fifth of the cost of the personnel of the Service, and to that have also to be added the considerable amounts that are taken out of the country in the form of savings accumulated for leave purposes. I think also there is a fairly considerable amount spent in advance overseas, that is to say, officers overdraw on their bankers or on their salary sheets and pay it back out of money earned in the country on their return. From the Service alone that is a very considerable amount—something, I should think, in the neighbourhood of a quarter of a million

pounds. To that must be added another large amount resulting from the same practice in the Transport Services of Government. If those be added together I think I am not overstating the case if I say that at least one-third of a million pounds, and possibly something approaching half a million pounds, per annum is taken out of the money circulating in the country for overseas leave. The effect of that on the finances of the country is very severe and in times like this I feel certain that it would be a great help in the reconstruction of the economic position if that money were being spent in the country next year instead of being drained out in expenditure overseas.

The principle of local servants for the junior branches of the service has been very definitely recommended after very careful investigation. I sincerely hope that recommendation will have the support of Government because it will have far-reaching effects on the future prosperity of this country. It will have a far-reaching effect in solving some of the serious problems we are already beginning to see will face this country in the near future and I hope, in whatever other respect Government may feel disposed to disagree with our views, that in regard to the establishment of a local civil service there is going to be agreement with the committee.

I should also like to draw attention to the recommendations regarding a contributory pensions scheme. If that is done the present heavy burden on the finances of the Colony will be to some extent relieved and on the other side we shall not have a service in which, while some individuals are fortunate enough to have the benefit of a most generous scheme, there will be others who unfortunately get no benefits whatever and are not regarded as deserving of benefits even if they have worked for long periods in Government service. I think it very necessary indeed, Sir, that our whole pension scheme should be revised and that its terms should be equitably applied to all servants of Government who fulfil a statutory period of years to justify them in obtaining a pension. Lastly, Sir, the recommendations of the Committee recall to one that there should be set up something in the nature of a Civil Service Commission. I feel certain that if that were done a lot of the anomalies and difficulties at present experienced by the Service would be removed and it would be unnecessary for the executive of Government and this House to give up as much of its time as it now does or as they all now do in dealing with matters pertaining to the Service.

Lastly, I should like to emphasize that in the various demands that have been made by Unofficial Members for inquiry into the terms of service they have not been actuated

by anything but a desire to bring about such revisions as have been made necessary by the passage of time, that they have been in no way actuated by antagonism towards the Service, but that on the contrary we are no less anxious than Government to ensure that the terms of the Civil Service in this country will be such as will not only give the best results to the country but will prove most satisfactory to the people who are fortunate enough to be in Government Service. We would regard it as a serious thing indeed if any action of ours were to occasion discontent in the Service. On the contrary, we are most anxious that our recommendations should result in a satisfactory and contented Service, loyal to the country they are serving.

**THE HON. CONWAY HARVEY:** Your Excellency, in seconding the motion for the adoption of this Report, to which I have the honour to be one of the signatories, I should like to draw attention to an item which appeared in this morning's local press and express my very great objection to ill-informed hostile criticism of this Report by no less an authority on Kenya affairs than the late Under-Secretary for the Dominions in the Labour Ministry, who, Sir, as you may be aware, has put down a question in the House of Commons asking the Secretary of State for the Colonies whether his attention has been drawn to a recommendation by a Kenya Select Committee for the institution of a local Civil Service side by side with the existing Service and, as this is inconsistent with the declared British policy of direct trusteeship, whether he will give an assurance that such a change is not made.

Now, Sir, it is thirty-two years since I was last in England but I still have sufficient confidence in the sense of fairplay and reasonableness of my fellow Britishers in England to believe that they will not be unduly influenced by such idle vapourings and will decline absolutely to support, Sir, any suggestion that employment in Kenya should be denied to boys and girls born and bred and educated in Kenya. I am not Sir, for one moment, subscribing to the view that exotic administrators are necessarily better qualified to discharge the functions of their office than those whose long association with local environment fits them in a peculiar degree efficiently and economically to discharge their duties.

Now, Sir, the hon. mover has stated that there are strong arguments in favour of the early introduction of the majority of the recommendations of this Committee. He alludes, Sir, to the enormous saving which will accrue ultimately and he has specifically mentioned many directions in which immediate saving might take place, and we all sincerely trust, Sir, that Government will give very serious attention to that very

important recommendation which has a bearing on the Colony's finance. There can be no doubt whatever, Your Excellency, that the maximum employment of local youths must inevitably advance the peace and prosperity of Kenya and will be ultimately for the very great benefit, not only of this part of Africa but of the Empire generally.

**HIS EXCELLENCY:** The question is that the Report of the Terms of Service Committee be adopted.

**CAPT. THE HON. H. F. WARD:** Your Excellency, I wish to support the adoption of this Report, primarily for the reason that it is all-important for us to get going on the formation of a local Civil Service. I do so, Sir, definitely with two qualifications as far as I am concerned. The first is this: that every officer of Government should be perfectly free to accept or refuse the terms offered under this Report and that no administrative action be taken towards compelling him to do so. My second qualification is that I do agree with the hon. Chief Native Commissioner and his reservation in so far as it refers to this Civil Service.

**THE REV. CANON THE HON. H. LEARRY:** Your Excellency, referring to the question of leave, I feel very strongly, and always have done; that it will be quite possible for officers to work a longer tour in healthy districts, and if I give my vote for the adoption of this Report it can only mean that I agree with the reservation which was made by the hon. the Acting Chief Native Commissioner in regard to how it will affect us in regard to recruiting. If we have some statement in regard to the junior Service that it would not in any way affect us in competing with other Colonies for the best men, and that we should not get the second class man, then I would support it, if I could be quite certain that we were not getting second class men.

In regard to the question of getting men from our own Colony, I have already spoken at a recent meeting saying how I would thoroughly like to see our young men learn something of the minds and know something of the vernaculars and the language they are likely to use if they are appointed to such posts as those we are considering now, and therefore I do hope the question will be taken up by the Education Department to see whether these children could not get down to the problem of learning something of these vernaculars.

**COLONEL THE HON. W. K. TUCKER:** With the utmost brevity, Sir, I should like, as a member of this Terms of Service Committee, to associate myself with the mover's

remarks as to the extraordinary cordiality, co-operation and broad-mindedness shown by the official members of that committee. I would like at the same time, Sir, to recognize the promptitude with which Government has accepted, or at all events acted on, this Report and to assure you, Sir, that the prompt appreciation which Government has shown in this case does stimulate unofficial people in this country to co-operate with Government in unravelling very difficult and very important subjects.

There are only two other remarks I would like to make, Sir. The first is that I regard as one very strong feature of this Report paragraph 8, which emphasizes that we did our work keeping our minds as clear as possible from the influence of the present period of depression because otherwise, if that might have discounted the Report in so far as its application is concerned. I should also like to express regret that two Members on this side of the House should have taken as seriously as they have done a Minority Report on a very small feature of the whole issue. Since that Minority Report has been put in I should have hoped the Chief Native Commissioner would have day by day realized more and more how unnecessary it was, even in that small degree, to spoil the otherwise complete unanimity. I do feel those of us who have had any considerable talk with people in Uganda and Tanganyika that we in Kenya can make out a case—that the advantages derivable between this Service and others of living in Kenya compared with the other two countries entirely outweigh any slight variation this Report may suggest as between the services of the three Colonies concerned.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I was not a member of this Committee and I should like to congratulate the Members, both official and unofficial, on this very efficient Report which they have drawn up. I am not going to deal with it in any detail. I wish to support the motion and I do hope very much we are not going on being tied against effecting any progressive work because some other territory does not agree with us. For some years progress was held up because we had to await for the result of the Committee on Closer Union. As that has now reported against closer union I hope that that argument will be dropped whenever anything of a constructive and progressive nature is put forward.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I should also like to join in the general chorus and congratulate the Committee on what I consider a very instructive Report. It is a matter on which one could make a very provocative speech, but I have no intention of invoking the Report of the Committee and the conscientious argument they have put into this work in a desire to make points against the Service.

11th December, 1931.

Mention has been made of the reservations that have been made by the hon. the Chief Native Commissioner. On that, Sir, I think the point is, as far as we are concerned, that we can pay and that we do pay what we are asked to pay and we do pay the maximum in so far as Kenya is asked to pay more salary and emoluments than is paid in some of the best death traps in the world. It is probably the idea that is conceived at home, the interchangeable service—the idea that unless you pay the same price in Kenya, which I maintain is a health resort, you will not influence people in coming here, that they would prefer, for instance, if the leave conditions were cut down to six months including the voyage backwards and forwards, that they would prefer to go where they get seven-and-a-half or eight months, which is allowing the period of the voyage. Personally I cannot conceive of any applicant for a position in the Kenya Service preferring to go, say, to the Gold Coast, and expect to get the same amount of emoluments and pay in Kenya as he would get there. I think that everybody who holds that argument is doing a great disservice to this Colony and I maintain that there is no healthier place in the Empire than in the Highlands of Kenya. I am speaking from experience, having lived (thirty-six years in Africa and eleven years in Kenya—I have never been in better health and I think for my age (sixty) I can still take a yard from any man in the world. I hope Your Excellency will on this occasion allow a free vote. It is a matter that not only affects this side of the House but it is a matter that also affects everybody on the opposite side of the House. It is a unanimous Report with the exception of one that I should call a minor reservation. I appreciate that reservation but I do not agree with the principle that comes from the Colonial Office that made it conscientiously necessary for that reservation to be made. As it is a unanimous Report, Sir, with the exception of that reservation, I think you could conscientiously allow a free vote on this occasion, and I hope that you will see your way to do so.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I am only going to bark with the general chorus.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Your Excellency, the hon. seconder of the motion asked that an assurance might be given that Government would at an early date give serious attention to the recommendations in this Report. I can give that assurance in very emphatic terms, but not for the first time in this session of the House since on the 26th November my hon. friend, the Acting Colonial Secretary, did indicate that early and active consideration had already

been given by Government to the recommendations of this Committee's Report. The Committee in its opening paragraphs itself states that its recommendations were confined very largely to matters of principle, and arising from those recommendations of principle there necessarily fell to be considered a considerable mass of details. That mass of details is being collated at the present time. The Report has been circulated to all Heads of Departments in order that their views may be at the disposal of Government, and that at their earliest possible moment. In so far as the recommendations concerning the overseas service are concerned, the matter will receive the attention of the Executive Government with a view to framing a despatch to the Secretary of State. So far as the local Service is concerned, it is Your Excellency's intention, subject to the concurrence of Executive Council, to adopt the suggestions made in paragraph 27 of the Report and to set up a Committee to report upon and schedule posts and draft regulations for the inauguration of a local European and Asiatic Civil Service applicable to Civil Servants other than Railway Servants.

As an indication, therefore, of the action which Government has taken in this matter it appears unnecessary further to accentuate the fact that early and serious consideration is being given to the recommendations of this Report, and in the light of that fact and I think in the nature of the case it is not possible at the present time for Government to accept this motion as it stands. At a later date, if a similar motion were introduced, the matter would then be more in a state for Government to express definitely whether it was prepared to accept or reject a motion in these terms.

**HIS EXCELLENCY:** I can assure the hon. Member, if I may say a few words, that the Government intend to push forward with this matter of the recommendations of this Committee with the utmost rapidity. I am going to make it a personal matter; I shall do all I can and will leave no stone unturned to see that these recommendations are, if possible, carried out. It is impossible for Government to accept the motion as it stands—we cannot do that, as you see—but I can give that assurance.

Does the hon. mover wish to reply?

**THE HON. T. J. O'SHEA:** I do desire to reply briefly. I frankly accept the assurance, and I would suggest that we report progress on the motion because, if I were to withdraw it I could not bring it up again within six months. If you prefer, Sir, I shall withdraw it on the understanding that it may be brought up again.

Before doing so, I should like to reply briefly to one or two observations that were made. The hon. Member for Nairobi North fully approved of the Report but with the reservation that officers should have a free choice as to whether they came under the new conditions or not. I shall use the mildest term possible when I say of course you must realize that that is impossible. If new terms of service are brought into operation they must apply to the Service; those whose contracts would prohibit them from coming under these new terms, of course you cannot force them without breach of contract, but there would be no question of free choice to everybody as to whether they would come in or not.

As regards recruiting, Sir, it may help to reassure the hon. and reverend Member on my left (the hon. Member representing native interests) when I tell him that we have recently been informed here that according to information supplied by the Colonial Office there were in the neighbourhood of three thousand applications for two or three posts as cadets in the Administration Department recently. That information has been supplied by a gentleman who was in touch with the Colonial Office with a view to obtaining an appointment for some young man in whom he was interested. He was informed by the Colonial Office that there were in the neighbourhood of three thousand applicants for the posts.

Regarding education which was mentioned by the same hon. Member, the setting up of this Civil Service Commission as recommended by the Committee would of course be a great help in ensuring that there was greater co-operation between the Education Department and the needs of the country in the matter of education than is possible to-day.

In view of the assurance given by Your Excellency, I beg to withdraw the motion.

The motion was by leave withdrawn.

#### DEVELOPMENT OF NATIVE RESERVES.

**CAPT. THE HON. H. F. WARD:** Your Excellency, I beg to move:—

"That in the opinion of this Council Native Affairs Department Circular No. 34<sup>a</sup> does not represent the full measure of executive action that is required in order to achieve the objects in view, and that the action called for in the Circular is ill-fitted towards any immediate improvement in the development of the native reserves."

#### \* DEVELOPMENT IN NATIVE RESERVES.

Government is aiming at the improvement of the conditions of life of the inhabitants of the Native Reserves, and the educational activities of all the various Departments of Government are designed towards this end.

(2) It is evident that one of the factors which must govern the level of civilization which can be attained is the economic position of the population. It follows that the development of all the resources of the Native Reserves must be one of the primary concerns of the Government.

(3) The areas in native occupation are capable of far greater economic output than has hitherto been achieved. This is fully realized by Government, and His Excellency has directed that vigorous and co-ordinated efforts must be made in pursuance of the end to be attained—that is, the realization of the maximum productivity of every Reserve.

(4) The estimated value of agricultural exports of native origin for the last five years is as follows:—

1926	...	...	£470,750
1927	...	...	£497,780
1928	...	...	£482,437
1929	...	...	£535,740
1930	...	...	£396,750

The total value of agricultural exports during the same period was as follows:—

1926	...	...	£2,240,721
1927	...	...	£2,731,704
1928	...	...	£2,747,248
1929	...	...	£2,883,976
1930	...	...	£3,168,407

Therefore, in 1926, native agricultural exports were about one-fifth of the total, but in 1930 they were only about one-eighth.

(5) If it is appreciated that the value of the produce exported is no accurate indication of the amount grown owing to (a) fluctuations in prices; and (b) local consumption; but figures over five years might be expected to show an increase.

- (6) Two lines of action are immediately indicated, namely:—  
 (a) general and continuous propaganda by officers of all Departments; and  
 (b) a programme of long-range development.

As to (a), every opportunity should be taken to impress on the people individually and through headmen, Local Native Councils, parimental officers and barazas the need for increased production. Departmental officers should stress the inter-relationship of their own activities with the economic position.

As to (b), the first necessity is to arrive at an appreciation of the facts so far as the facts can be ascertained. In the 1930 Agricultural Census, on page 59, is an estimate of the area under cultivation together with an estimate of production of the area under cultivation are, however, no previous figures with which to compare these estimates. It would be valuable to know—

- (a) to what extent, if any, the areas under cultivation are increasing annually; and  
 (b) to what extent there is room for increase after allowing for fallow land, grazing land and forests.

Provincial Commissioners are therefore asked, as a preliminary step, to forward to the Chief Native Commissioner reports which will be in the nature of economic surveys of the several districts of their Province specifying, wherever possible, each section of the district, with recommendations for the advancement of native agriculture, in the light of the special needs of each district or section, and indicating the directions in which increased effort is particularly needed and likely to be attended by the best results.

(7) The directions in which such efforts may be exerted may be classified under the following heads, and Provincial Commissioners, in making their recommendations, are asked to follow this classification:—

1. AGRICULTURE.

- (a) Increase in the area under cultivation.
- (b) Increase in the yield per acre.
- (c) Improvement in the quality of crops by use of superior seed.
- (d) Introduction of new kinds and varieties.
- (e) Improvements in methods of cultivation (e.g. by use of ploughs).
- (f) Increase in the productivity of the land (e.g. by drainage, irrigation, or use of manure).
- (g) Rotation of crops and conservation of soil values.

2. ANIMAL HUSBANDRY.

- (a) Ghee-making, improvement in quality and quantity.
- (b) Improvement of quality of hides and skins.
- (c) Improvement of quality of stock.

3. FISHERIES.

4. GENERAL.

- (a) Improvement in facilities for transport.
- (b) Improvement in methods of marketing.
- (c) Improvement of water supplies by bore-holes, wells, pipelines, etc.
- (d) Increase of local fuel supply.

(e) Miscellaneous, e.g. improvement in the health and physical standard of the people which result from the adoption of more hygienic methods of life leading to the reduction of disease. In this last connection, attention is invited to the success following intensive campaigns already carried out, e.g. in the 'Digo country' during 1927-8, the first result of which was a greatly increased demand for Digo labour and consequent improvement of their training for Digo labour and consequent improvement in physique, capacity due to marked improvement in physique, vide pp. 21 and 22 of the Annual Medical Report for 1928; also the campaigns carried out more recently in the Kikuyu and Kavirondo areas relating to combating helminthiasis by the introduction of pit latrines.

(8) It will be at once appreciated that the close co-operation of all departments will be essential to success, and also that such co-operation will be ineffective without intensive propaganda. In compiling their reports, Provincial Commissioners will naturally consult such technical officers as are available in their Provinces.

The proper co-ordination of administrative with technical activities is a powerful factor in increased production, as any attempt to put into practice the lessons which are or should be conveyed to the native population will in course of time result in a demand for improved conditions which will gradually become insatiable.

The natural effect will be a growing interest in production as a means of satisfying that demand.

(9) On the receipt of reports from all Provincial Commissioners these will be collated and a programme will be devised indicating the general policy to be pursued and the particular steps to be taken in furtherance of that policy in respect of every district.

This resolution needs no excuse. It is a matter that in good times or in bad has occupied the very close attention of hon. Members on this side of the House and was first raised probably in any concrete shape some eight years ago by a committee, the composition of which was largely unofficial. At every Budget Committee since 1927 this subject has been raised and urged on Government with all the force we could command, and last year on the Railway Estimates we did get a personal assurance from the hon. the Colonial Secretary then acting as Governor, that this matter would receive the earnest attention of Government. The quarrels we have with that Native Affairs Department Circular No. 34 are many, but before dealing with them there is one outstanding point in native development that does surprise hon. Members on this side of the House and that is that no reference has been made so far in the debates on the Budget for 1933 in regard to the possibility of establishing a meat factory, except the statement that the offer of the Colonial Development Fund had been refused because it was not good enough. As we left that in Select Committee I have a very clear impression it was to the effect that Government should be requested, even at this hour, to appoint a Committee for the purpose of specifically investigating that proposal, and I submit, Sir, that the proposal is not nearly so hopeless as we have been led to expect. Of the total of £30,000 capital required for the establishment of that factory the Colonial Development Fund offer £20,000, leaving £10,000 still unsettled. The great point of difficulty was the large amount of working capital that would be required by that undertaking before returns came in and supplemented the working capital of the undertaking. The figure there I think is estimated at somewhere in the neighbourhood of £63,000. We, Sir, feel that there are one or two practical suggestions towards that end that are well worth consideration by a committee. One suggestion is to the effect that a levy on native stock should be imposed to a small amount which would compel the natives to realize their stock, and there would be no hardship entailed because there would be this factory ready and willing to take that stock at a price which the Government was satisfied was a fair one. That is one suggestion, Sir. The other suggestion is that in order to overcome the difficulty of providing that working capital, which is a very substantial sum, the undertaking should be given a definite entity in the same way as the Government has given the Land Bank a definite entity. If that were done, the meat factory would be empowered to go to private sources for the purpose of obtaining its working capital on very ordinary and very easy commercial terms. My own suggestion, Sir, is that by a combination of the two

of these methods this grave difficulty of working capital could be overcome; and certainly, Sir, the chances seem so good that I do not think Government ought to refuse our application to have a committee established for further information on the matter.

What astonishes us in reading Native Affairs Department Circular No. 34 is the large variety of subjects upon which administrative officers are called upon to report. This resolution definitely says that it is "ill-fitted towards any immediate improvement." The ground of substantiation for that is as follows: on top of page 3 of that Circular Provincial Commissioners are requested as a preliminary step—as a preliminary step, presumably, before any action is taken towards the development in the Native Reserves—to forward a report, and these are some of the things they are asked to do, some of the things they are recommended to report on:—

- Increase in the area under cultivation.
- Increase in the yield per acre.
- Improvement in the quality of crops by use of superior seed.
- Introduction of new kinds and varieties.
- Improvement in methods of cultivation (e.g. by use of ploughs).
- Increase in the productivity of the land, e.g. by drainage, irrigation or use of manure.
- Rotation of crops and conservation of soil values.
- Ghee making, improvement in quality and quantity.
- Improvement of quality of hides and skins.
- Improvement of quality of stock.
- Improvement in facilities for transport.
- Improvement in methods of marketing.
- Improvement of water supplies by bore holes, wells, pipe lines, etc.
- Increase of local fuel supply.
- Miscellaneous, e.g. improvement in the health and physical standard of the people which result from the adoption of more hygienic methods of life leading to the reduction of disease.

Now, Sir, in the first place, what sort of payment does the average Provincial Commissioner demand from this Colony? Is he so highly trained as to be able to deal with this long range of very definite and technical subjects? I presume the answer will be that for the purpose of complying with the order given him in regard to such expert subjects he has recourse to a number of technical officers of Government. Has Government really got such a large staff of officers that it is able to rule that the terms of that circular can be complied with in a short period of time and that the

and the fact that the Report has met with such general approval, not only within the Service but without, is, I think, some testimony to what can be achieved by that spirit of co-operation in the service of the country. I should like to lay some stress on the fact that this Report in its recommendations is in no way connected with the need for sacrifice at the present-time by any section of the community. The Committee endeavoured to keep itself as little as possible influenced by the particular needs of the hour and they have endeavoured to frame recommendations that we hope will be suitable to the Service for a period of years to come, whether our financial position be better or worse than it is to-day. In fact, Sir, the recommendations themselves do not of necessity imply any curtailing in the cost of the Service. These recommendations can be applied—if Government so decides and the country so decides—without effecting one penny of saving in the cost. As against that, however, their application can be made to effect very considerable savings and it is the idea of members of the Committee that in applying the terms that they recommend the Government will do so actuated by two ideals: one, of ensuring that the application of these terms is absolutely fair to the Service, that the application of them will not leave the Service discontented in any way; that will not occasion anyone in the service of this country, in the Government service of the country, to have any reason to complain that the remuneration coming from this service is inadequate; and by the second ideal that in the conditions as they are to-day, the conditions of the country in which they are to-day, there must be no extravagance in the terms under which our Civil Service work. It is also necessary perhaps to emphasize that these recommendations do not in any way interfere with contractual obligations. There has been a lot of talk in the House from time to time of late about contractual obligations. I regret the hon. the Acting Colonial Secretary is not here this morning to correct me if I am wrong, but the result of my investigations into this question is I am satisfied that so far as contracts go, the only contract that exists applies solely to substantive pay. That would appear to be a permanent contract, but in all other respects the officers of Government who are on the permanent staff, other than those who are on agreement and short term contracts, are subject to the conditions of the Service from time to time. That is my interpretation of the documents that were placed before us as to the terms on which officers are at present serving. Curiously enough, the legislation that has recently been passed seemed to me at any rate to interfere with that one term of service upon which there is a definite contract.

It will be remembered, Sir, that the Committee was appointed a short time before the Estimates Committee began to sit—or about the same time—and during the progress of the Committee which is the subject of this motion it was asked to report to Government with a view to making its recommendations available for consideration in connexion with the preparation of the 1952 Estimates. Unfortunately the consideration of the 1953 Estimates was completed without anything being done to implement the report of this Committee, but as the legislation passed this morning is of a temporary nature I should like to stress this, that at least equal savings could be made to Government arising out of the recommendations of this Committee and in a way that would, I feel sure, be more acceptable to the vast majority of the Service. I hope, therefore, that Government will implement the promises already made to follow up the recommendations of this Committee. I further hope that it will be able to come to conclusions within the course of the next few months that will enable the effects of that legislation to be withdrawn from the greater part of the Service and that Government may get its savings on the cost of the Service in other ways as recommended by this Committee. Very considerable savings can be effected in the matter of leave conditions and I am confident that savings in that direction, far from being resented by the great majority of the Service, would be welcomed and would be of advantage to the members of the Service themselves in addition to enabling Government to effect economies. The cost of the housing of officers of Government could also be considerably reduced under these recommendations without in any way inflicting hardship, and in that connexion, Sir, seeing that Government is anxious to have all constructive proposals possible from this side of the House, I should like to draw your attention to the comparatively large sums of money that could be secured to Government in the course of the next few years, including next year, by disposing of as large a proportion as you can of the houses at present owned by Government, to first of all if you like, officers in the Service, and failing the full amount from them, to others. The amount of State capital invested in that class of property is to-day very considerable and under the recommendations of this Committee it will be unnecessary to retain a very large proportion of those houses. I do seriously suggest that Government finance can be benefitted, the public service can be benefitted, and the public at large can be benefitted by the disposal of some of that property during the next few years. One other item that our investigations disclosed as capable of realizing very considerable savings is furniture. I mention that particularly because in the minds of most people it would appear to be a very minor item, whereas in actual fact we learnt during the



course of the Committee's inquiries—and I also personally learnt in my investigations on another Committee—that furniture is costing the country an amount out of all proportion to its benefit to the Service. The Public Works Department has to maintain a very large staff to deal with this furniture question. I can assure you, when everything is taken into consideration—the maintenance, for instance, of workshops and the maintenance of clerical staff to deal with this question—that the deletion straightaway of this non-contractual obligation of furniture would save the country considerable sums of money, and would not, I think, be resented by the Service. Perhaps the greatest saving of all eventually would be effected by the saving in personnel if the recommendations of this Committee are adopted. When it was urged upon Government within the last few days that to meet the needs of our financial position as we contemplate it next year overseas leave might be stopped next year, it was pointed out to us that one of the strong objections Government had to doing that was because it would have in the country a very much larger number of Civil Servants than were necessary for the needs of the country, a larger number than could be used, and that in fact there would be congestion in Government circles. That, Sir, I think goes to support my view that the adoption of the longer tour that is recommended by this Committee would effect a real saving in personnel. I hope, however, it will not be assumed from that that I am urging any drastic retrenchments in the immediate future. The thing would be gradual, and I sincerely hope with the improvement in the country's condition in the next few years that that surplus would be absorbed into a larger Service.

I should also like to stress the very considerable indirect savings that would accrue to the country by the adoption of these recommendations. Anybody who has gone into the figures will, I think, agree that not less than one-third of a million pounds is taken out of the country every year as a result of the present short period of tour. We have had in the Colony's Estimates something in the neighbourhood of £70,000 for passages. In addition thereto there is one-fifth of the cost of the personnel of the Service, and to that have also to be added the considerable amounts that are taken out of the country in the form of savings accumulated for leave purposes. I think also there is a fairly considerable amount spent in advance overseas, that is to say, officers overdraw on their bankers or on their salary sheets and pay it back out of money earned in the country on their return. From the Service alone that is a very considerable amount—something, I should think, in the neighbourhood of a quarter of a million

pounds. To that must be added another large amount resulting from the same practice in the Transport Services of Government. If those be added together I think I am not over-stating the case if I say that at least one-third of a million pounds, and possibly something approaching half a million pounds, per annum is taken out of the money circulating in the country for overseas leave. The effect of that on the finances of the country is very severe and in times like this I feel certain that it would be a great help in the reconstruction of the economic position if that money were being spent in the country next year instead of being drained out in expenditure overseas.

The principle of local servants for the junior branches of the service has been very definitely recommended after very careful investigation. I sincerely hope that recommendation will have the support of Government because it will have far-reaching effects on the future prosperity of this country. It will have a far-reaching effect in solving some of the serious problems we are already beginning to see will face this country in the near future and I hope, in whatever other respect Government may feel disposed to disagree with our views, that in regard to the establishment of a local civil service there is going to be agreement with the committee.

I should also like to draw attention to the recommendations regarding a contributory pensions scheme. If that is done the present heavy burden on the finances of the Colony will be to some extent relieved and on the other side we shall not have a service in which, while some individuals are fortunate enough to have the benefit of a most generous scheme, there will be others who unfortunately get no benefits whatever and are not regarded as deserving of benefits even if they have worked for long periods in Government service. I think it very necessary indeed, Sir, that our whole pension scheme should be revised and that its terms should be equitably applied to all servants of Government who fulfil a statutory period of years to justify them in obtaining a pension. Lastly, Sir, the recommendations of the Committee recall to one that there should be set up something in the nature of a Civil Service Commission. I feel certain that if that were done a lot of the anomalies and difficulties at present experienced by the Service would be removed and it would be unnecessary for the executive of Government and this House to give up as much of its time as it now does or as they all now do in dealing with matters pertaining to the Service.

Lastly, I should like to emphasize that in the various demands that have been made by Unofficial Members for inquiry into the terms of service they have not been actuated



by anything but a desire to bring about such revisions as have been made necessary by the passage of time, that they have been in no way actuated by antagonism towards the Service, but that on the contrary we are no less anxious than Government to ensure that the terms of the Civil Service in this country will be such as will not only give the best results to the country but will prove most satisfactory to the people who are fortunate enough to be in Government Service. We would regard it as a serious thing indeed if any action of ours were to occasion discontent in the Service. On the contrary, we are most anxious that our recommendations should result in a satisfactory and contented Service, loyal to the country they are serving.

**THE HON. CONWAY HARVEY:** Your Excellency, in seconding the motion for the adoption of this Report, to which I have the honour to be one of the signatories, I should like to draw attention to an item which appeared in this morning's local press and express my very great objection to ill-informed hostile criticism of this Report by no less an authority on Kenya affairs than the late Under-Secretary for the Dominions in the Labour Ministry, who, Sir, as you may be aware, has put down a question in the House of Commons asking the Secretary of State for the Colonies whether his attention has been drawn to a recommendation by a Kenya Select Committee for the institution of a local Civil Service side by side with the existing Service and, as this is inconsistent with the declared British policy of direct trusteeship, whether he will give an assurance that such a change is not made.

Now, Sir, it is thirty-two years since I was last in England but I still have sufficient confidence in the sense of fairplay and reasonableness of my fellow Britishers in England to believe that they will not be unduly influenced by such idle vapourings and will decline absolutely to support, Sir, any suggestion that employment in Kenya should be denied to boys and girls born and bred and educated in Kenya. I am not, Sir, for one moment, subscribing to the view that exotic administrators are necessarily better qualified to discharge the functions of their office than those whose long association with local environment fits them in a peculiar degree efficiently and economically to discharge their duties.

Now, Sir, the hon. mover has stated that there are strong arguments in favour of the early introduction of the majority of the recommendations of this Committee. He alludes, Sir, to the enormous saving which will accrue ultimately and he has specifically mentioned many directions in which immediate saving might take place, and we all sincerely trust, Sir, that Government will give very serious attention to that very

important recommendation which has a bearing on the Colony's finance. There can be no doubt whatever, Your Excellency, that the maximum employment of local youths must inevitably advance the peace and prosperity of Kenya and will be ultimately for the very great benefit, not only of this part of Africa but of the Empire generally.

**HIS EXCELLENCY:** The question is that the Report of the Terms of Service Committee be adopted.

**CAPT. THE HON. H. F. WARD:** Your Excellency, I wish to support the adoption of this Report, primarily for the reason that it is all-important for us to get going on the formation of a local Civil Service. I do so, Sir, definitely with two qualifications as far as I am concerned. The first is this: that every officer of Government should be perfectly free to accept or refuse the terms offered under this Report and that no administrative action be taken towards compelling him to do so. My second qualification is that I do agree with the hon. Chief Native Commissioner and his reservation in so far as it refers to this Civil Service.

**THE REV. CANON THE HON. H. LARKEY:** Your Excellency, referring to the question of leave, I feel very strongly, and always have done, that it will be quite possible for officers to work a longer tour in healthy districts, and if I give my vote for the adoption of this Report it can only mean that I agree with the reservation which was made by the hon. the Acting Chief Native Commissioner in regard to how it will affect us in regard to recruiting: If we have some statement in regard to the junior Service that it would not in any way affect us in competing with other Colonies for the best men, and that we should not get the second class man, then I would support it, if I could be quite certain that we were not getting second class men.

In regard to the question of getting men from our own Colony, I have already spoken at a recent meeting saying how I would thoroughly like to see our young men learn something of the minds and know something of the vernaculars and the language they are likely to use if they are appointed to such posts as those we are considering now, and therefore I do hope the question will be taken up by the Education Department to see whether these children could not get down to the problem of learning something of these vernaculars.

**COLONEL THE HON. W. K. TUCKER:** With the utmost brevity, Sir, I should like, as a member of this Terms of Service Committee, to associate myself with the mover's

remarks as to the extraordinary cordiality, co-operation and broad-mindedness shown by the official members of that committee. I would like at the same time, Sir, to recognize the promptitude with which Government has accepted, or at all events acted on, this Report and to assure you, Sir, that the prompt appreciation which Government has shown in this case does stimulate unofficial people in this country to co-operate with Government in unravelling very difficult and very important subjects.

There are only two other remarks I would like to make, Sir. The first is that I regard as one very strong feature of this Report paragraph 8, which emphasizes that we did our work keeping our minds as clear as possible from the influence of the present period of depression because otherwise, if that had been too much in the forefront, it is possible that it might have discounted the Report in so far as its application is concerned. I should also like to express regret that two Members on this side of the House should have taken as seriously as they have done a Minority Report on a very small feature of the whole issue. Since that Minority Report has been put in I should have hoped the Chief Native Commissioner would have day by day realized more and more how unnecessary it was, even in that small degree, to spoil the otherwise complete unanimity. I do feel those of us who have had any considerable talk with people in Uganda and Tanganyika that we in Kenya can make out a case—that the advantages derivable between this Service and others of living in Kenya compared with the other two countries entirely outweigh any slight variation this Report may suggest as between the services of the three Colonies concerned.

LT.-COL. THE HON. LORD FRANCIS SCOTT: I was not a member of this Committee and I should like to congratulate the Members, both official and unofficial, on this very efficient Report which they have drawn up. I am not going to deal with it in any detail. I wish to support the motion and I do hope very much we are not going on being tied against effecting any progressive work because some other territory does not agree with us. For some years progress was held up because we had to await for the result of the Committee on Closer Union. As that has now reported against closer union I hope that that argument will be dropped whenever anything of a constructive and progressive nature is put forward.

LT.-COL. THE HON. J. G. KIRKWOOD: Your Excellency, I should also like to join in the general chorus and congratulate the Committee on what I consider a very instructive Report. It is a matter on which one could make a very provocative speech, but I have no intention of invoking the Report of the Committee and the conscientious argument they have put into this work in a desire to make points against the Service.

Mention has been made of the reservations that have been made by the hon. the Chief Native Commissioner. On that, Sir, I think the point is, as far as we are concerned, that we can pay and that we do pay what we are asked to pay and we do pay the maximum in so far as Kenya is asked to pay more salary and emoluments than is paid in some of the best death traps in the world. It is probably the idea that is conceived at home, the interchangeable service—the idea that unless you pay the same price in Kenya, which I maintain is a health resort, you will not influence people in coming here, that they would prefer, for instance, if the leave conditions were cut down to six months including the voyage backwards and forwards, that they would prefer to go where they get seven-and-a-half or eight months, which is allowing the period of the voyage. Personally I cannot conceive of any applicant for a position in the Kenya Service preferring to go, say, to the Gold Coast, and expect to get the same amount of emoluments and pay in Kenya as he would get there. I think that everybody who holds that argument is doing a great disservice to this Colony and I maintain that there is no healthier place in the Empire than in the Highlands of Kenya. I am speaking from experience, having lived thirty-six years in Africa and eleven years in Kenya—I have never been in better health and I think for my age (sixty) I can still take a yard from any man in the world. I hope Your Excellency will on this occasion allow a free vote. It is a matter that not only affects this side of the House but it is a matter that also affects everybody on the opposite side of the House. It is a unanimous Report with the exception of one that I should call a minor reservation. I appreciate that reservation but I do not agree with the principle that comes from the Colonial Office that made it conscientiously necessary for that reservation to be made. As it is a unanimous Report, Sir, with the exception of that reservation, I think you could conscientiously allow a free vote on this occasion, and I hope that you will see your way to do so.

LT.-COL. THE HON. C. G. DURHAM: Your Excellency, I am only going to bark with the general chorus.

THE HON. THE ACTING COMMISSIONER FOR LOCAL GOVERNMENT, LANDS AND SETTLEMENT: Your Excellency, the hon. seconder of the motion asked that an assurance might be given that Government would at an early date give serious attention to the recommendations in this Report. I can give that assurance in very emphatic terms, but not for the first time in this session of the House since on the 26th November my hon. friend, the Acting Colonial Secretary, did indicate that early and active consideration had already

been given by Government to the recommendations of this Committee's Report. The Committee in its opening paragraphs itself states that its recommendations were confined very largely to matters of principle, and arising from those recommendations of principle there necessarily fell to be considered a considerable mass of details. That mass of details is being collated at the present time. The Report has been circulated to all Heads of Departments in order that their views may be at the disposal of Government, and that at the earliest possible moment. In so far as the recommendations concerning the overseas service are concerned, the matter will receive the attention of the Executive Government with a view to framing a despatch to the Secretary of State. So far as the local Service is concerned, it is Your Excellency's intention, subject to the concurrence of Executive Council, to adopt the suggestions made in paragraph 27 of the Report and to set up a Committee to report upon and schedule posts and draft regulations for the inauguration of a local European and Asiatic Civil Service applicable to Civil Servants other than Railway Servants.

As an indication, therefore, of the action which Government has taken in this matter it appears unnecessary further to accentuate the fact that early and serious consideration is being given to the recommendations of this Report, and in the light of that fact and I think in the nature of the case it is not possible at the present time for Government to accept this motion as it stands. At a later date, if a similar motion were introduced, the matter would then be more in a state for Government to express definitely whether it was prepared to accept or reject a motion in these terms.

**HIS EXCELLENCY:** I can assure the hon. Member, if I may say a few words, that the Government intend to push forward with this matter of the recommendations of this Committee with the utmost rapidity. I am going to make it a personal matter: I shall do all I can and will leave no stone unturned to see that these recommendations are, if possible, carried out. It is impossible for Government to accept the motion as it stands—we cannot do that, as you see—but I can give that assurance.

Does the hon. mover wish to reply?

**THIS HON. T. J. O'SHEA:** I do desire to reply briefly. I frankly accept the assurance, and I would suggest that we report progress on the motion because, if I were to withdraw it I could not bring it up again within six months. If you prefer, Sir, I shall withdraw it on the understanding that it may be brought up again.

Before doing so, I should like to reply briefly to one or two observations that were made. The hon. Member for Nairobi North fully approved of the Report but with the reservation that officers should have a free choice as to whether they came under the new conditions or not. I shall use the mildest term possible when I say of course you must realize that that is impossible. If new terms of service are brought into operation they must apply to the Service; those whose contracts would prohibit them from coming under these new terms, of course you cannot force them without breach of contract, but there would be no question of free choice to everybody as to whether they would come in or not.

As regards recruiting, Sir, it may help to reassure the hon. and reverend Member on my left (the hon. Member representing native interests) when I tell him that we have recently been informed here that according to information supplied by the Colonial Office there were in the neighbourhood of three thousand applications for two or three posts as cadets in the Administration Department recently. That information has been supplied by a gentleman who was in touch with the Colonial Office with a view to obtaining an appointment for some young man in whom he was interested. He was informed by the Colonial Office that there were in the neighbourhood of three thousand applicants for the posts.

Regarding education which was mentioned by the same hon. Member, the setting up of this Civil Service Commission as recommended by the Committee would of course be a great help in ensuring that there was greater co-operation between the Education Department and the needs of the country in the matter of education than is possible to-day.

In view of the assurances given by Your Excellency, I beg to withdraw the motion.

The motion was by leave withdrawn.

#### DEVELOPMENT OF NATIVE RESERVES.

**CAPT. THE HON. H. F. WARD:** Your Excellency, I beg to move:—

“That in the opinion of this Council Native Affairs Department Circular No. 34\* does not represent the full measure of executive action that is required in order to achieve the objects in view, and that the action called for in the Circular is ill-fitted towards any immediate improvement in the development of the native reserves.”

#### \* DEVELOPMENT IN NATIVE RESERVES.

Government is aiming at the improvement of the conditions of life of the inhabitants of the Native Reserves, and the educational activities of all the various Departments of Government are directed towards this end.

(2) It is evident that one of the factors which must govern the level of civilization which can be attained is the economic position of the population. It follows that the development of all the resources of the Native Reserves must be one of the primary concerns of Government.

(3) The areas in native occupation are capable of far greater economic output than has hitherto been achieved. This is fully realized by Government, and His Excellency has directed that vigorous and co-ordinated efforts must be made in pursuance of the end to be attained—that is, the realization of the maximum productivity of every Reserve.

(4) The estimated value of agricultural exports of native origin for the last five years is as follows:—

1926	...	...	£470,750
1927	...	...	£407,780
1928	...	...	£482,437
1929	...	...	£535,740
1930	...	...	£395,750

The total value of agricultural exports during the same period was as follows:—

1926	...	...	£2,240,721
1927	...	...	£2,731,794
1928	...	...	£2,747,248
1929	...	...	£2,383,976
1930	...	...	£3,108,407

Therefore, in 1929, native agricultural exports were about one-fifth of the total, but in 1930 they were only about one-eighth.

(5) It is appreciated that the value of the produce exported is no accurate indication of the amount grown owing to (a) fluctuations in prices; and (b) local consumption; but figures over five years might be expected to show an increase.

(6) Two lines of action are immediately indicated, namely:—

(a) general and continuous propaganda by officers of all Departments; and

(b) a programme of long-range development.

As to (a), every opportunity should be taken to impress on the people individually and through headmen, Local Native Councils, parimental officers should stress the need for increased production. Departmental officers should stress the inter-relationship of their own activities with the economic position.

As to (b), the first necessity is to arrive at an appreciation of the facts so far as the facts can be ascertained. In the 1930 Agricultural Census, on page 59, is an estimate of the area under cultivation area, however, no estimate of production of individual crops. These figures, in comparison with previous figures with which to compare these estimates. It would be valuable to know—

(a) to what extent, if any, the areas under cultivation are increasing annually; and

(b) to what extent there is room for increase after allowing for fallow land, grazing land and forests.

Provincial Commissioners are therefore asked, as a preliminary step, to forward to the Chief Native Commissioner reports which will be in the nature of economic surveys of the several districts of their Provinces specifying, wherever possible, each section of the district, the light of the special needs of each district or section, and indicating the directions in which increased effort is particularly needed and likely to be attended by the best results.

(7) The directions in which such efforts may be exerted may be classified under the following heads, and Provincial Commissioners, in making their recommendations, are asked to follow this classification:—

#### 1. AGRICULTURE.

- Increase in the area under cultivation.
- Increase in the yield per acre.
- Improvement in the quality of crops by use of superior seed.
- Introduction of new kinds and varieties.
- Improvements in methods of cultivation (e.g. by use of ploughs).
- Increase in the productivity of the land (e.g. by drainage, irrigation, or use of manure).
- Rotation of crops and conservation of soil values.

#### 2. ANIMAL HUSBANDRY.

- Breeding, improvement in quality and quantity.
- Improvement of quality of hides and skins.
- Improvement of quality of stock.

#### 3. FISHERIES.

#### 4. GENERAL.

- Improvement in facilities for transport.
- Improvement in methods of marketing.
- Improvement of water supplies by bore-holes, wells, pipelines, etc.
- Increase of local fuel supply.
- Miscellaneous, e.g. improvement in the health and physical standard of the people which result from the adoption of more hygienic methods of life leading to the reduction of disease. In this last instance, attention is invited to the success following intensive campaigns already carried out, e.g. in the Digo country during 1927-28, the first result of which was a greatly increased demand for Digo labour, and enhancement of their earning capacity due to marked improvement in physique, vide pp. 21 and 22 of the Annual Medical Report for 1928; also the campaigns carried out more recently in the Kikuyu and Kavirondi areas relating to combating helminthiasis by the introduction of pit latrines.

(8) It will be at once appreciated that the close co-operation of all departments will be essential to success, and also that such co-operation will be ineffective without intensive propaganda. In compiling their reports, Provincial Commissioners will naturally consult such technical officers as are available in their Provinces.

The proper co-ordination of administrative with technical activities is a powerful factor in increased production, as any attempt to put into practice the lessons which are or should be conveyed to the native population will in course of time result in a demand for improved conditions which will gradually become inherent.

The natural effect will be a growing interest in production as a means of satisfying that demand.

(9) On the receipt of reports from all Provincial Commissioners, the proper co-ordination of administrative with technical activities is a powerful factor in increased production, as any attempt to put into practice the lessons which are or should be conveyed to the native population will in course of time result in a demand for improved conditions which will gradually become inherent.

The natural effect will be a growing interest in production as a means of satisfying that demand.

(10) On the receipt of reports from all Provincial Commissioners, the proper co-ordination of administrative with technical activities is a powerful factor in increased production, as any attempt to put into practice the lessons which are or should be conveyed to the native population will in course of time result in a demand for improved conditions which will gradually become inherent.

This resolution needs no excuse. It is a matter that in good times or in bad has occupied the very close attention of hon. Members on this side of the House and was first raised probably in any concrete shape some eight years ago by a committee, the composition of which was largely unofficial. At every Budget Committee since 1927 this subject has been raised and urged on Government with all the force we could command, and last year on the Railway Estimates we did get a personal assurance from the hon. the Colonial Secretary then acting as Governor, that this matter would receive the earnest attention of Government. The quarrels we have with that Native Affairs Department Circular No. 34 are many, but before dealing with them there is one outstanding point in native development that does surprise hon. Members on this side of the House and that is that no reference has been made so far in the debates on the Budget for 1932 in regard to the possibility of establishing a meat factory, except the statement that the offer of the Colonial Development Fund had been refused because it was not good enough. As we left that in Select Committee I have a very clear impression it was to the effect that Government should be requested, even at this hour, to appoint a Committee for the purpose of specifically investigating that proposal, and I submit, Sir, that the proposal is not nearly so hopeless as we have been led to expect. Of the total of £30,000 capital required for the establishment of that factory the Colonial Development Fund offer £20,000, leaving £10,000 still unsettled. The great point of difficulty was the large amount of working capital that would be required by that undertaking before returns came in and supplemented the working capital of the undertaking. The figure there I think is estimated at somewhere in the neighbourhood of £63,000. We, Sir, feel that there are one or two practical suggestions towards that end that are well worth consideration by a committee. One suggestion is to the effect that a levy on native stock should be imposed to a small amount which would compel the natives to realize their stock, and there would be no hardship entailed because there would be this factory ready and willing to take that stock at a price which the Government was satisfied was a fair one. That is one suggestion, Sir. The other suggestion is that in order to overcome the difficulty of providing that working capital, which is a very substantial sum, the undertaking should be given a definite entity in the same way as the Government has given the Land Bank a definite entity. If that were done, the meat factory would be empowered to go to private sources for the purpose of obtaining its working capital on very ordinary and very easy commercial terms. My own suggestion, Sir, is that by a combination of the two

of these methods this grave difficulty of working capital could be overcome, and certainly, Sir, the chances seem so good that I do not think Government ought to refuse our application to have a committee established for further information on the matter.

What astishes us in reading Native Affairs Department Circular No. 34 is the large variety of subjects upon which administrative officers are called upon to report. This resolution definitely says that it is "ill-fitted towards any immediate improvement." The ground of substantiation for that is as follows: on top of page 3 of that Circular Provincial Commissioners are requested as a preliminary step—as a preliminary step, presumably, before any action is taken towards the development in the Native Reserves—to forward a report, and these are some of the things they are asked to do, some of the things they are recommended to report on:—

- Increase in the area under cultivation.
- Increase in the yield per acre.
- Improvement in the quality of crops by use of superior seed.
- Introduction of new kinds and varieties.
- Improvement in methods of cultivation (e.g. by use of ploughs).
- Increase in the productivity of the land, e.g. by drainage, irrigation or use of manure.
- Rotation of crops and conservation of soil values.
- Ghee making, improvement in quality and quantity.
- Improvement of quality of hides and skins.
- Improvement of quality of stock.
- Improvement in facilities for transport.
- Improvement in methods of marketing.
- Improvement of water supplies by bore holes, wells, pipe lines, etc.
- Increase of local fuel supply.
- Miscellaneous, e.g. improvement in the health and physical standard of the people which result from the adoption of more hygienic methods of life leading to the reduction of disease.

Now, Sir, in the first place, what sort of payment does the average Provincial Commissioner demand from this Colony? Is he so highly trained as to be able to deal with this long range of very definite and technical subjects? I presume the answer will be that for the purpose of complying with the order given him in regard to such expert subjects he has recourse to a number of technical officers of Government. Has Government really got such a large staff of officers that it is able to rule that the terms of that circular can be complied with in a short period of time and that the

whole of the development of the Native Reserves has to be held up until this voluminous report has been submitted to the Chief Native Commissioner? My submission definitely is that the material that is ready and the material for action at the moment has been mixed up with long range schemes for development and improvement schemes for production, and I submit, Sir, that the ability of Government should be distributed so as to make the very best use of what we have already to meet our needs and that these long range schemes should be taken on rather later in the day, when the material that we have to handle will be made the best of. The crux of the position in respect of any immediate improvement in the Native Reserves must undoubtedly be the question of marketing. We on this side of the House, year after year, have definitely emphasized this question and we still feel the same to-day. Until you get a marketing system in the Native Reserves you are ploughing the sands if you are trying to get an increased production. We have tried year after year to get that point thoroughly established and so far as I know until last year, when it came up on the Railway Estimates, the point was never entertained and was never accepted by Government. The last time I was on Council in 1929 the subject had been completely forgotten about and it had got mixed up with something to do with hides and skins. Marketing definitely is at the bottom of the whole thing and until you get a market you can do nothing right.

That, Sir, leads to another question: What good reason can there be for Government completely cutting themselves off from the accumulated commercial experience and training in unofficial circles in this Colony? How can they hope, on the one hand, to get any real improvement in native development unless they take advantage of the commercial knowledge and experience that is available? I suggest, Sir, that the question of marketing is a highly technical subject indeed and I suggest there is a volume of experience in this Colony available for the assistance of Government and that they should avail themselves of that assistance.

Complementary to marketing is a proper understanding of values by the natives concerned and it seems to me that the Government will have a very uphill task in increasing production in the Native Reserves until they have made better headway in this particular direction. I do not know whether it is definitely a fact but I have been assured by people in close touch with the natives that while a large number of natives do not understand the currency of the country they still call a shilling a *shilingi na nusu* and that is traceable back to the source from which they get their supplies. You must place at the disposal of the natives the same sort of supplies as

we Europeans all have in this Colony. We must encourage the system, which has already started to grow of purchase in bulk and of higher distribution to those who wish to at reasonable rates. In this respect, Sir, I understand certain progress has been made in co-operation between development and the very admirable institutions which have in co-operative marketing assistance. I should have thought that one of the first matters for consideration in development of the Reserves is how far such co-operation can be extended.

If the time had not been as it is, Sir, I would have said very much further to have developed this argument but to the lateness of the hour I propose to a certain extent cut my remarks short. I feel, Sir, that we on this side of the House are always being accused of destructive criticism. I think that is unfair criticism and I personally endeavour to avoid it. Now, Sir, the constructive suggestion that I have to make to Government is this, that instead of ignoring completely the commercial side and all that is wished to set out to do, they might realize that they are very little without its help. I do not suppose there is any body, if you take the corollary, Sir, of an ordinary commercial undertaking which wishes to carry out any process of commercial development—the administrators, that is, to the Board of Directors (who in this case are the Provincial Commissioners of Government) would not attempt to do things themselves. What they would do is that they would employ specially trained, fully qualified men for that purpose. And that is the key to the whole situation as I see it. In regard to the development of the Native Reserves you must have commercial knowledge. Any man, unless he is an importer or an exporter, is handicapped in dealing with this very technical subject of import and export and the average man not in business and who is not is not qualified to deal with these subjects.

My suggestion to Government is that they should as a first step, employ their own commercial advisers for the development of the Native Reserves. I suggest that would not mean a charge on the revenues of the Colony which suggests that means could quite easily and fairly be found supplying that particular form of assistance. I have really to develop the argument but if that were agreed, a commercial adviser, their own man, would be there to deal with them on all points connected with a scheme of development. Government would not dream of taking a case to the law without consulting the law officers of the Crown and I cannot conceive that the Government should consider development for the Native Reserves without having their own commercial specialists and advisers.

My second suggestion is this, that in order to give the undertaking some definite soul and entity, some real body, Government should consider the appointment of a development committee for the Native Reserves. One of the peculiar features of this Native Affairs Department Circular No. 34 is the fact that the Board of Agriculture has not been taken into account at all—I presume for the simple reason that it was not sitting at the time the circular was issued. I suggest, Sir, that either as a subsidiary to that Board or as a subsidiary to the Native Lands Trust Board a definite development committee in the Native Reserves should be appointed. And the reason I urge it is that there are a number of people accessible who have taken part very largely in commercial development in this Colony who would be available to sit on that Board and offer their experience and advice to Government for the purpose they have in view.

In view of the lateness of the hour and the importance of this subject, I would ask Your Excellency's permission to allow me, after the motion has been seconded, to report progress.

THE HON. CONWAY HARVEY: Your Excellency, I beg to second the motion.

Progress was reported.

#### COMPASSIONATE PENSIONS.

THE HON. THE TREASURER: Your Excellency, the motion which stands on the Order Paper was moved by me some days ago and was opposed by hon. Members on the opposite side of Council. Further consideration was deferred by Government with the consent of Council in order that, in view of what had been said, Government might agree to reconsider the question. I am afraid I can say no more than that Government has given very careful consideration to these three cases and they are unable to vary the view which it previously held that these men thoroughly deserve the pensions which it is suggested they should receive and that their case could not be met by any other means than that contained in the motion.

THE HON. THE ACTING ATTORNEY GENERAL: Your Excellency, I beg to second the motion.

HIS EXCELLENCY: The question is:—

(1) In consideration of Mr. Kutub Din's 27 years 3 months and 14 days satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 648 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with

effect from the date of his retirement, viz. the 30th April, 1931, instead of a gratuity of Sh. 600 (*vide* Section 37 (2) of Chapter 36 of the Laws of Kenya) to which he is strictly entitled under the Regulations.

(2) In consideration of Mr. Kala Khan's 31 years 10 months and 5 days satisfactory service in the Police Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,441/50 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz. the 13th March, 1931, instead of a gratuity of Sh. 2,217/69 (calculated at the rate of one week's salary for each year of service) to which he is strictly entitled under the Regulations.

(3) In consideration of Mr. Daria Singh's 22 years 1 month and 26 days satisfactory service in the Prisons Department of this Colony, this Council is pleased to award him a compassionate pension at the rate of Sh. 1,123 a year (which is equivalent to three-fourths of the pension which would have been awarded to him had he been serving on the pensionable establishment of this Colony) with effect from the date of his retirement, viz. the 1st January, 1931, instead of a gratuity of Sh. 685/71 (*vide* section 38 (1) and (3) of Chapter 37 of the Laws of Kenya) to which he is strictly entitled under the Regulations.

LT.-COL. THE HON. LORD FRANCIS SCOTT: Your Excellency, I can only say that Elected Members stated their views the other day, to which they still adhere, no added evidence having been given to make them change those views. In the circumstances I think it would be only a waste of time to reiterate them.

The question was put and carried by sixteen votes to eleven.

*Ayes:* Mr. Biss, Major Brassey-Edwards, Messrs. Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs. Holm, Horne, Logan, Rushton, Sikcs, Wade, Welby, Col. Wilkinson.

*Noes:* Mr. Bemister, Col. Durham, Mr. Harvey, Col. Kirkwood, Canon Leakey, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

The Council adjourned sine die.



## WRITTEN ANSWERS TO QUESTIONS.

## TAKAUNGU CAUSEWAY.

BY MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE:

"Whether an inquiry was held into the destruction of the Takaungu Causeway, and, if so, with what result?"

*Reply:*

A Departmental inquiry has been held and the breach found to be entirely due to exceptional floods, which no causeway could withstand.

It is not considered advisable to replace the portion of the causeway which has been carried away, but as the recent floods have scoured a channel in the silt, and as it is considered that tidal scour will keep this channel open, it is proposed to ramp down the ends of the causeway and to run a ferry across the channel on a chain.

## MOMBASA-MALINDI MOTOR SERVICE.

BY MAJOR THE HON. R. W. B. ROBERTSON-EUSTACE:

"When will the Mombasa-Malindi motor service be inaugurated?"

*Reply:*

In view of the general need for economy, it is not proposed to inaugurate a new motor service of this character during the current year, particularly in view of the fact that the revenue derived from it will not cover the capital cost of the lorry.

## CATTLE CLEANSING AND FENCING ORDINANCES.

BY THE HON. F. O'B. WILSON:

"(a) Does Government intend to put into operation the Dipping and Fencing Ordinances when the Land Bank has started to function?"

"(b) If the answer is in the negative, will Government consider a partial application of the Dipping and Fencing Ordinances to districts desirous of contracting in, which would allow the Land Bank to grant advances for Dipping and Fencing, ranking prior to existing mortgages, as implied in section 26 of the Land Bank Ordinance?"

*Reply:*

"(a) Notice of the non-disallowance of these Ordinances has not yet been received from the Secretary of State, and in the meantime the Land Bank Board has been instructed not to make advances under Part IV of the Land Bank Ordinance."

Further, Government is not at present in a financial position to meet the obligations under the Fencing Ordinance with which it might be faced. The answer as regards the Fencing Ordinance is therefore that it is not proposed at present to bring this Ordinance into operation.

Without the application of the Fencing Ordinance, the Cattle Cleansing Ordinance could not be regarded as beneficial to all districts 'contracting in,' but, although in these circumstances its application might benefit only 'clean' areas, Government sees no reason on this account only why this Ordinance should not be brought into operation as soon as the notice in regard to non-disallowance is received.

"(b) It is not understood what the hon. Member means by a 'partial' application of these Ordinances."

## CATTLE QUARANTINE.

BY THE RT. HON. LORD DELAMERS:

"1. How many imported cattle (in their different importations) have been passed through the Government quarantine stations—

(a) at Kabeto (when it was there),

(b) at Nairobi,

in each year since the quarantine was applied?"

"2. How many died in each importation in each year, and from what cause?"

*Reply:*

The following imported cattle have been passed through the Nairobi Veterinary Quarantine Station since quarantine measures were undertaken in November, 1928. This is the only quarantine station in use, but some animals have been sent on to Kabete Laboratories for treatment.

1928.—36 head were admitted on the 13th November. Of these, 5 died of quarantine disease, one of anaplasma marginale, and one of paralysis. Three others were sent on to the Kabete Laboratories, and recovered.

1929.—43 head were admitted as follows:—

15th January	20
2nd March	1
10th May	2
24th May	3
20th June	10
24th July	3
8th November	3
31st December	3



Of these, one heifer, admitted on 15th January, died of anaplasmosis after transfer to the Kabete Laboratories; one bull, admitted on 24th May, died of hoven, and another, admitted on the 8th November, was sent to the Laboratory for slaughter owing to tuberculosis.

1930.—20 head were admitted as follows:—

7th March	...	...	1
23rd March	...	...	2
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Of these one bull, admitted on 25th March, died of chronic redwater and gall sickness, and another, admitted on the 10th June, died of a cause unknown.

#### EUROPEAN HOSPITAL, NAIROBI.

By THE HON. W. C. MITCHELL:

"Is it Government's intention to implement the report of the sub-committee of Executive Council appointed to inquire into certain matters connected with the European Hospital. If so, what action is it proposed to take, with special reference to a Board of Management?"

Reply:

Government is prepared to discuss the proposal to appoint a Board of Management in connexion with the European Hospital as soon as it appears possible to appoint a fully representative Board, which would be financially stable and financially responsible, as recommended by the sub-committee.

Government has noted the sub-committee's recommendation in regard to hospital accommodation, but is of opinion that, when further funds are available, they should be devoted towards building a new European Hospital rather than towards improving the present hospital; in which case the recommendation will be taken into consideration in the design of the new structure.

Government accepts the sub-committee's recommendation that Government should not undertake any insurance scheme.

#### TSETSE FLY TRAPS.

By THE HON. W. C. MITCHELL:

"Will Government obtain a supply of Harris patent (setso fly traps for trial in areas affected by these insects?"

Reply:

Mr. Harris has been communicated with, and has supplied diagrams of the traps invented by himself, and has also given permission for a small number of traps to be made and tested locally. These traps have been constructed, and will be in operation in the immediate future.

#### CATTLE QUARANTINE.

By THE HON. F. O'B. WILSON:

"In view of the fact—

1. That it is now compulsory for all imported pedigree cattle to spend at least one month in the Nairobi Quarantine Station;
2. That, as stated on page 61 of the Department of Agriculture Annual Report for 1929, there have been several fatal cases of an unknown disease occurring at the Nairobi Quarantine Station;

will Government either—

- (a) Reconsider their decision making it compulsory for all imported pedigree stock to pass through this station; or
- (b) Reconsider their decision not to remove this station to Kabete, where Nairobi quarantine disease is unknown, and where better facilities occur for skilled observation and treatment?"

Reply:

Government considers there is no necessity to alter its decision in regard to the compulsory quarantine on all imported pedigree cattle, particularly in respect of the diseases in the quarantine station, as reported in the Annual Report of the Agricultural Department, 1929, because—

- (a) no cases of this disease have recurred during the past two years;
- (b) the disease is found generally throughout the Colony;
- (c) a specific remedy is known for the treatment of the disease.

Government has under consideration the building of a new quarantine station at Kabete.

#### SQUATTER-OWNED STOCK.

By THE HON. F. O'B. WILSON:

"Will Government state what steps, if any, they are taking to give power to local authorities to prohibit squatter-owned stock from being kept in the area under their jurisdiction?"

**Reply:**

A draft Bill to amend the Resident Native Labourers Ordinance is under consideration by Government. This draft contains a clause providing for local option in the matter of permitting or prohibiting the keeping of native-owned stock on farms.

**MEAT FACTORY.**

By THE HON. F. O'B. WILSON:

"Is Government taking any steps towards the erection of a meat factory to deal with the surplus stock from the Native Reserves as so strongly recommended by Sir Daniel Hall's Commission?"

**Reply:**

Government has made exhaustive inquiries into the cost of establishing and maintaining a meat factory, and as a result of these inquiries has decided that the cost, in the present state of the Colony's finances, would be prohibitive.

Application has been made to the Colonial Development Fund for the money necessary to finance such an enterprise, but without success.

The proposal is therefore in abeyance.

**CRIME IN SOTIK AREA.**

By THE HON. CONWAY HARVEY:

"In view of the serious increase of crime in the Sotik area since the withdrawal of the Lumbwa Levy Force, will Government be pleased either to re-establish the Levy or to take other steps to ensure the safety of life and property in the district concerned?"

**Reply:**

Criminal statistics do not at present support the assertion that there has been a serious increase of crime in the Sotik area since the withdrawal of the Lumbwa Levy Force.

Government is therefore not convinced that justification exists for the re-establishment of that Force or for any other measures of a special nature.

The hon. Member is aware that there is a police unit under a European officer at Chemagel in Sotik. This unit has recently been increased.

**SOTIK TOWNSHIP.**

By THE HON. CONWAY HARVEY:

"Whereas Farm No. 960 (5,000 acres), originally reserved for township purposes in the Sotik area, has been added to the Native Reserve, and whereas the second

Sotik Township Reservation of 640 acres, at the extreme eastern end of the district, has not been included in the list of townships specified in Ordinance No. 63 of 1930, what are the intentions of Government regarding the provision of a township for this rapidly growing district?"

**Reply:**

Government has been informed of the opinion of the Kericho District Committee that a township should be gazetted somewhere in the vicinity of Chemagel, in the most suitable and central situation for the purpose, and is prepared to consider such definite proposals in the matter as may in due course be made.

**MAIZE FROM SOUTH AFRICA.**

By THE HON. CONWAY HARVEY:

"Is there any truth in the statement recently made in the South African Press that through the medium of the Department of Agriculture negotiations have been entered into for the immediate export of large quantities of maize to Kenya?"

**Reply:**

The reply is in the negative.

**CONDEMNED PRISONERS AT KISUMU.**

By THE HON. CONWAY HARVEY:

"What representations have been made to Government by the Visiting Justices to the Kisumu Prison on the subject of condemned prisoners awaiting execution?"

Will Government be pleased to state what action has been taken to ameliorate the deplorable situation in this connexion?"

**Reply:**

1. On the 27th July, 1931, the Visiting Justices to the Kisumu Prison invited the attention of Government to the undesirability of prisoners under sentence of death: (i) being within hearing distance of the execution shed; (ii) waiting several months for the confirmation or commutation of their sentence. Arrangements have been made for the removal of the execution shed to another part of the prison. Pending the completion of these arrangements such prisoners will be removed from close proximity to the gallows when an execution is to take place.

2. The delay usual in the confirmation or otherwise of death sentences is attributable to the fact that in almost every instance an appeal is lodged against the sentence.

In the specific instances cited by the Visiting Justices the sentences were passed in February, 1931, and an intimation of their confirmation by the Court of Appeal for Eastern Africa on the 16th June, 1931, was received at the Secretariat on the 9th July.

The sentences were confirmed by His Excellency in Council on the 24th July, and the sentences were carried out on the 12th August.

3. The Government, in consultation with His Honour the Chief Justice, is taking every possible step to prevent undue delay in bringing cases before the Court of Appeal and its giving effect to the judgment of that Court.

#### COMBINED HOSPITAL, MOMBASA.

By THE HON. SHERIFF ABDULLA BIN SALIM :

" Whether Government considers that immediate erection of the General Combined Hospital at Mombasa is very necessary? "

*Reply:*

Government is alive to the need which exists for a modern grouped hospital at Mombasa, and purposes to proceed with the provision of such a hospital when funds permit. It is, however, unlikely that funds will be available in the near future.

#### TEMPORARY IMMIGRATION PERMITS.

By THE HON. SHERIFF ABDULLA BIN SALIM :

" Will the Government state why and for what reason Asiatics leaving for Zanzibar are compelled to affix their thumb impressions, in addition to their signatures, on Immigration Temporary Permits? "

*Reply:*

By arrangement with the Immigration Authorities of Zanzibar and the Tanganyika Territory, it has been the practice since the war to issue Temporary Permits to residents of this Colony who are British subjects to enable them to visit these Territories without the formalities of a passport.

Owing to the discovery that a great number of permits were being obtained by means of impersonation, applicants who were unknown to the Immigration Authorities were required either to establish their identity by means of photographs or by other means, or to imprint their thumb impressions upon the permit. Failing this, they were required to obtain a passport.

The practice of requiring a thumb impression in addition to a signature was discontinued in July this year.

#### JOMVU WATER SUPPLY.

By THE HON. SHERIFF ABDULLA BIN SALIM :

" Will the Government lay a pipe-line right up to Jomvu Village, in order to avoid a cruelty for the Wajomvu people and people owning shambas at Kwa Jomvu to come all the way from Jomvu Village for a pot of water? "

*Reply:*

Government is aware of the difficulties which exist at Jomvu in connexion with the lack of a satisfactory supply of water, and sympathises with the villagers in their application that water should be laid on by a pipe-line. It is advised, however, that the annual recurrent charge of such a pipe-line would be in excess of the revenue to be derived therefrom. Moreover, no funds are available to meet the capital expenditure involved.

It is regretted therefore that it is not possible to meet the wishes of the Wajomvu in this matter at the present time.

#### SUGAR.

By LT.-COL. THE HON. C. G. DURHAM :

" 1. Is Government aware that it is reported that sugar plantations have been destroyed by locusts? "

" 2. Will Government undertake that advantage is not taken against the people of the country in the event of a shortage of good quality sugar? "

" 3. Should the threatened shortage eventuate, will Government reduce the existing duty to allow the importation of first quality sugar? "

*Reply:*

1. Government is aware that damage has been done to some sugar plantations.

2. In regard to the second and third parts of the question, it would appear from the present information at the disposal of Government that no shortage of sugar in the Colony is likely to arise. The position will be carefully watched.

#### BUTTER LEVY ORDINANCE.

By THE RT. HON. LORD DELAMERE :

" When will the Butter Levy Ordinance be brought into force? Has the Board for giving exemptions been formed? "

*Reply:*

The Board is in course of being appointed, and it is proposed to take its advice on the amount of the cess to be imposed pending an intimation from the Secretary of State in regard to the non-disallowance of the Ordinance.

## CARRIAGE OF GOODS BY MOTOR (CONTROL) ORDINANCE.

By THE RT. HON. LORD DELAMERE:

"What has happened to the Carriage of Goods by Motor (Control) Ordinance? When is it going to be enforced?"

*Reply:*

This Ordinance has been assented to by His Excellency the Governor and is being despatched forthwith to the Secretary of State, and will be brought into operation as soon as notice of its non-disallowance is received.

## ABYSSINIAN RAIDS.

By THE HON. CONWAY HARVRY:

"What action has been taken by Government in connexion with Elected Members' recommendation that Government should protest to the League of Nations against a state of affairs whereby it is found necessary to incur expenditure on the maintenance of a Consul for Southern Abyssinia as a protection against raiding parties from a nation which is a member of the League of Nations?"

*Reply:*

In 1928 the then Secretary of State, in a reply in the House of Commons, stated that a White Paper respecting Abyssinian raids from 1910 onwards into British territory and the Anglo-Egyptian Sudan, based on reports furnished by this, the Sudan and British Somaliland Governments, would be available for the information of the League of Nations. This White Paper was laid in the House of Commons and copies can be made available.

No action was taken upon the Elected Members' recommendation in 1930 that a protest against the state of affairs in Southern Abyssinia should be addressed to the League of Nations by this Government, which is not a member of the League.

Affairs on the Abyssinian frontier are, however, the subject of constant report to the Secretary of State and, when necessary, of diplomatic representations by His Majesty's Minister at Addis Ababa.

## UNSPENT LOAN FUNDS.

By THE HON. F. A. BRIMSTER:

"1. What amount of the December, 1930, Loan remained unspent at 31st August, 1931?"

2. What was the amount of accrued interest and sinking fund due from the Kenya Government at that date on this figure?"

3. What was the amount of interest earned on the same figure at 31st August, 1931?"

*Reply:*

1. The unspent balance of the provision in the 1930 Loan for Colonial requirements was £772,055 on the 30th June, 1931. The figure to the end of August is not yet available, as the Crown Agents' accounts for August have not yet been received.

2. Sinking fund charges on the 1930 Loan do not commence until 1934. The accrued interest due from the Kenya Government on the unspent balance of £772,055 was £17,371 at the 30th June, 1931.

3. The amount of interest earned on £772,055 to the 30th June was £11,580.

## CENTRAL OFFICES AND LAW COURTS.

By CAPT. THE HON. J. L. COTTER:

"1. What is the estimate cost of—

(a) the new Central Offices?

(b) the new Law Courts?

2. What are the architects' fees for preparation of the drawings for these buildings?

3. What was the cost of the Railway Offices building?"

*Reply:*

1. The estimated cost of the new Central Offices, inclusive of architects' fees and establishment charges, as shown on page 13 of the Seasonal Loan Statement for June, 1931, is £154,882; that of the Law Courts is £196,607.

2. The estimated architects' fees for the preparation of the drawings and for architectural supervision on works are—

(a) For the Central Offices: £5,725.

(b) For the Law Courts: £8,615;

of which £4,767 and £4,722 respectively have been paid for drawings.

3. The final cost of the Railways and Harbours Head-quarter Offices, Nairobi, was £140,609/0/98.

GOVERNMENT HOUSES IN NAIROBI.

By CAPT. THE HON. J. L. COTTER :

"Are any Government houses in Nairobi used as boarding houses?"

If in affirmative, does Government agree this is good policy?"

Reply:

Government is not aware that any Government houses in Nairobi are used as boarding houses in the accepted sense of that term.

The answer to the second part of the question does not therefore arise.

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