

# KENYA NATIONAL ARCHIVES

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*SECTION. 7.*

**CONTINUED FROM**  
**REEL No.**

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COLONY AND PROTECTORATE OF KENYA

# LEGISLATIVE COUNCIL DEBATES

## OFFICIAL REPORT

SECOND SERIES

VOLUME XXV—PART II

1946-47

SECOND SESSION

Continuing 22nd October, 1946, to 5th February, 1947

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# List of Members of the Legislative Council

## President:

HIS EXCELLENCY THE GOVERNOR, SIR P. E. MITCHELL, G.C.M.G., M.C.  
(1)

## Ex Officio Members:

CHIEF SECRETARY (HON. SIR G. M. RENNIE, C.M.G., M.C.)

ATTORNEY GENERAL (HON. S. W. P. FOSBER SUTTON, O.B.E., K.C.)

FINANCIAL SECRETARY (HON. J. F. G. TROUGHTON, M.B.E.) (2)

CHIEF NATIVE COMMISSIONER (HON. W. S. MARCHANT, C.M.G., O.B.E.) (3)

DIRECTOR OF MEDICAL SERVICES (DR. THE HON. N. M. MACLENNAN).  
(4)

DIRECTOR OF AGRICULTURE (HON. D. L. BLUNT, C.M.G.) (5)

DIRECTOR OF EDUCATION (HON. R. PATRICK, E.D.)

GENERAL MANAGER, K.U.R. & H. (HON. SIR R. E. ROBINS, C.M.G., O.B.E.)

DIRECTOR OF PUBLIC WORKS (HON. S. R. BOYD)

COMMISSIONER OF CUSTOMS (HON. W. JOHNSTON) (6)

COMMISSIONER FOR LANDS, MINES AND SURVEYS (HON. G. J. ROBBINS)

## Nominated Official Members:

MAJOR THE HON. F. W. CAVENDISH-BENTINCK, C.M.G. (Member for Agriculture, Animal Husbandry and Natural Resources). (7)

HON. MBURAK ALI HASAWY, O.B.E. (Specially appointed to represent interests of Arab Community).

HON. K. L. HUNTER, O.B.E. (Provincial Commissioner, Nyanza Province).

HON. E. M. HYDE CLARKE, M.B.E. (Labour Commissioner).

HON. C. H. THORNLEY (Deputy Chief Secretary, Acting). (8)

HON. C. E. MORTIMER, C.B.E. (Member for Health and Local Government).

HON. H. E. STACEY (Solicitor General, Acting). (9)

HON. H. C. WILLBOURN, M.C. (Postmaster General).

HON. J. C. MENDY (Commissioner of Inland Revenue). (10)

## European Elected Members:

HON. W. A. C. BODWER, Usasi Gishu.

HON. S. V. COOKE, Coast.

HON. G. M. EDVE, Nyanza.

MAJOR THE HON. F. DE V. JOYCE, M.C., Ukamba.

MAJOR THE HON. A. G. KEYSER, Trans Nzoia.

HON. W. G. D. H. NICOL, Mombasa.

HON. W. F. O. TRENCH, Rift Valley.

HON. E. A. VASEY, C.M.G., Nairobi North.

HON. SIR ALFRED VINCENT, Nairobi South. (11)

HON. MRS. O. F. WATKINS, Kiambu.

HON. E. H. WRIGHT, Aberdare.

# LIST OF MEMBERS OF THE LEGISLATIVE COUNCIL—Contd.

## Indian Elected Members:

HON. S. T. THAKORE (Central).

HON. A. R. COCKER (Central). (12)

HON. A. B. PATEL (Eastern).

DR. THE HON. M. A. RANA, M.B.E. (Eastern).

HON. A.—PRITAM (Western).

## Arab Elected Member:

HON. SHERIFF ABDULLA SALIM

## Nominated Unofficial Members:

Representing the Interests of the African Community—

VEN. ARCHDEACON THE HON. L. J. BEECHER.

HON. E. MATHU.

## Acting Clerk to Council:

Mr. R. Tatton Brown

## Reporters:

Mr. A. H. Edwards

Miss Bennitt

(1) Created G.C.M.G. in New Year's Honours List, 1947.

(2) Mr. N. F. S. Andrews appointed Acting Financial Secretary on 4th February, 1947.

(3) Mr. Marchant retired on 31st January, 1947.

(4) *Vice* Dr. K. A. T. Martin on return from special duty.

(5) *Vice* Mr. A. B. Killick on return from leave.

(6) *Vice* Mr. E. E. Lord, Acting.

(7) *Vice* Mr. R. P. Armitage, M.B.E., on return from leave.

(8) Mr. K. G. Lindsay, O.B.E., reverted to Deputy Chief Secretary on return of Chief Secretary from special duty in England. Was subsequently seconded to Palestine and was succeeded by Mr. C. H. Thornley, Acting Deputy Chief Secretary.

(9) *Vice* Mr. T. A. Brown, transferred to Singapore.

(10) *Vice* Mr. J. R. Hudson, Acting Director of Veterinary Services.

(11) *Vice* Mr. G. A. Tyson on return from leave.

(12) Mr. Shamsud-Deen resigned on return from leave without resuming his seat *vice* Mr. I. E. Nathoo, Acting Member; Mr. A. R. Cocker returned at by-election on 28th January, 1947.

ABSENTEES FROM LEGISLATIVE COUNCIL SITTINGS

1946—

22nd October—

Hon. Member for Eastern Area (Dr. Rana).

23rd October—

Hon. Member for Eastern Area (Dr. Rana).

12th and 13th November—

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.

Hon. Member for African Interests (Mr. Mathu).

14th November—

Hon. Member for Rift Valley.

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.

Hon. Member for African Interests (Mr. Mathu).

19th, 20th and 21st November—

Hon. Member for Usasin Gishu.

Hon. Arab Elected Member.

22nd November—

Hon. Provincial Commissioner, Nyanza Province.

Hon. Member for Usasin Gishu.

Hon. Arab Elected Member.

26th and 27th November—

Hon. Arab Elected Member.

28th November—

Hon. Member for Nyanza.

Hon. Arab Elected Member.

29th November—

Hon. Provincial Commissioner, Nyanza Province.

Hon. Member for Usasin Gishu.

Hon. Member for Nyanza.

Hon. Member for Trans Nzoia.

Hon. Member for Rift Valley.

Hon. Arab Elected Member.

3rd and 4th December—

Hon. General Manager, K.U.R. & H.

Hon. Member for Nyanza.

Hon. Arab Elected Member.

5th December—

Hon. Member for Usasin Gishu.

Hon. Member for Nyanza.

Hon. Member for Nairobi North.

Hon. Arab Elected Member.

6th December—

Hon. Postmaster General.

Hon. Labour Commissioner.

Hon. Commissioner of Inland Revenue.

Hon. Member for Usasin Gishu.

Hon. Member for Nyanza.

Hon. Member for Nairobi North.

Hon. Member for Central Area (Mr. Shamsud-Deen).

Hon. Arab Elected Member.

ABSENTEES FROM LEGISLATIVE COUNCIL SITTINGS—  
(Contd.)

1947—

21st January—

Hon. Member for Agriculture and Natural Resources.

Hon. Labour Commissioner.

Hon. Arab Nominated Member.

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.

23rd January—

Hon. Attorney General.

Hon. Labour Commissioner.

Hon. Arab Nominated Member.

Hon. Member for Usasin Gishu.

Hon. Member for Trans Nzoia.

Hon. Member for Mombasa.

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.

Hon. Member for African Interests (Mr. Mathu).

28th January—

Hon. General Manager, K.U.R. & H.

Hon. Arab Nominated Member.

Hon. Arab Elected Member.

29th January—

Hon. Arab Nominated Member.

Hon. Member for Rift Valley.

Hon. Arab Elected Member.

30th January—

Hon. Arab Nominated Member.

Hon. Arab Elected Member.

31st January—

Hon. Chief Native Commissioner.

Hon. Arab Nominated Member.

Hon. Member for Usasin Gishu.

Hon. Member for Trans Nzoia.

Hon. Member for Rift Valley.

Hon. Arab Elected Member.

4th February—

H.E. the Governor.

Hon. Member for Agriculture and Natural Resources.

Hon. Member for Coast.

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.

5th February—

H.E. the Governor.

Hon. Member for Agriculture and Natural Resources.

Hon. Member for Eastern Area (Dr. Rana).

Hon. Arab Elected Member.



COLONY AND PROTECTORATE OF KENYA

LEGISLATIVE COUNCIL DEBATES

SECOND SESSION, 1946.

**Tuesday, 22nd October, 1946**

Council assembled in the Memorial Hall, Nairobi, at 11 a.m. on Tuesday, 22nd October, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

**ADMINISTRATION OF OATH**

The Oath of Allegiance was administered to H. C. Willbourn, Esq., M.C., Postmaster General; H. E. Stacey, Esq., Acting Solicitor General; G. A. Tyson, Esq., Nairobi-South, Acting.

**PRESENTATION OF INSIGNIA**

By Command of His Majesty the King, His Excellency presented the insignia of the M.B.E. to Mrs. W. G. Evans (posthumous award to Lt.-Col. W. G. Evans), Lt. A. E. Talbot, and R.S.M. Mohamed bin Indem; and the following decorations: M.C., to Major A. H. Borthwick; D.F.C. to Flt.-Lt. Fairclough and Sqdrn.-Leader R. C. Knight; A.F.C. to Mrs. Wynne-Eaton (posthumous award to Wing-Commander C. S. Wynne-Eaton); M.M. to C.S.M. C. B. Branston, C.S.M. H. Wallace, and Corporal Kibriken Kipto; Colonial Police Medal to Supt. S. L. Vincent and Asst. Supt. H. N. Instone.

**COMMUNICATION FROM THE CHAIR**

His Excellency delivered the following Communication from the Chair:—

Honourable Members of the Legislative Council, we are met here to-day for the annual budget session, a session of particular importance in that it will deal with the first budget drawn up since the war ended, and concerned in the main with peace-time services, albeit there still remains a very large sum to be found for the various war emergency services of a civil character, and of course the after-effects of the war are very much in evidence in many ways.

I do not propose this morning to give you an account of the events of the past year, but rather to concern myself with the Government's plans for the year to come, but I must refer to some matters of great importance which have been occupying us during the past twelve months, and are still among our major concerns. In the first place, as you are aware, proposals were published at the end of last year by the Secretary of State in Colonial Paper No. 191 for the administration of the existing services common to the three East African territories and those, particularly statistical and scientific, which are planned for the immediate future. On this subject there is, I believe, a general realization, indeed a very widely spread demand, that steps should be taken to provide an appropriate juridical and constitutional framework for these services which will afford in the first place a forum for debate and a means of spreading information about them and, secondly, a means of administering them under the authority of an Order in Council and without the em-

[H.E. the Governor] barrastment and confusion which arise when I and the Chief Secretary of the Governors' Conference endeavour to carry on these most important undertakings by a continuous process of consultation, usually telegraphic, with the other Governments, in circumstances which not only waste a great deal of time but, in respect of many important matters, make it almost impossible either to get on with the job, or to keep the general public informed, or to take advantage of advice and criticism. I hope I may claim to know something about administration, and I have no hesitation in saying that the present state of affairs is chaotic and inefficient.

But it has not yet been possible to reach agreement on the constitution of a common legislature, and without agreement such a legislature, which by the nature of the case must function largely by compromise and give and take, cannot usefully be established. There have been extensive discussions up and down the country, not all of them, it seems to me, directed to the problem which has in fact to be solved, but the net result has been that we are still not agreed. In the meantime very urgent matters, especially in respect of the co-ordination of transport of all kinds including the two railway systems, research, and the organization of Government assistance for and liaison with commerce and industry, cannot be undertaken, and the public interest continues to suffer detriment. Full accounts of the views expressed in East Africa have been transmitted to the Secretary of State, and the Under Secretary of State, whose recent appointment to be Secretary of State I feel sure all honourable members will wish to offer him the warmest congratulations—carried home with him a wide knowledge of the situation as it exists here, after discussions with every group and interest throughout, these three territories and Zanzibar. As a result of all this, I and my colleagues have now been given directions to discuss the matter further with the members of our Legislative Councils, in the light of the views which have been expressed, and the extent to which it appears to the Secretary of State that the original proposals could be modified in the search for agreement. For the present I can say

no more than that, except that I do earnestly hope that some acceptable compromise may be reached, for without it we shall get nowhere; we cannot go on indefinitely postponing and postponing and postponing decisions in these important matters merely because decisions are difficult.

The reorganization of the administration of the Colony—undertaken a year ago—is shaping well, but is seriously hampered by the lack of an adequate headquarters building. The Development Committee expressed the view that the Colony ought not now to embark on a large-scale plan for central offices, and while I do not disagree with that I cannot go all the way with them, for a properly designed building in which the official Members of my Executive Council in charge of the various departments of Government, their secretaries, and the Central Secretariat can be housed together is, in my judgment, an essential prerequisite to efficiency, and I hope that it may be possible to find the money for it.

I understand that it is the intention of the Members representing African interests to raise the question of African representation at some appropriate stage in our proceedings, and in any case it is a matter which I and my advisers have been considering in the light of representations which have already been made to us. If there are to be changes—and that is a matter which it will be necessary to debate later, probably in the New Year—they should be made when the success to this Council is constituted, for constitutional changes during the life of a Council are to be avoided.

But I think I ought to say to educated Africans generally who are interested in these matters, that I am convinced that their interest at the present time will best be served by taking the fullest possible advantage of which they are able of the great opportunities in the field of local government which are now open to them, not only in their own African local councils but in several municipalities and town boards. It is here that they can learn the business of representative government, and acquire the experience which is so necessary to effective participation in the legislature of the Colony. Local government has been the training

[H.E. the Governor] in a little more detail in a moment. A comprehensive building programme covering staff quarters and departmental buildings of various kinds will also be undertaken. The road reconstruction programme will be continued.

Up to date the work of the Authority has been handicapped to a considerable extent by shortage of staff and materials, but materials are now coming forward, although slowly, and staff is being recruited gradually; special efforts are being made to recruit additional staff before the end of this year.

There is one point I should like to mention in this connexion. In dealing with the construction of public works, the Development and Reconstruction Authority has not set up, and is not setting up, an organization independent of and parallel to the Public Works Department. The headquarters staff of the Authority consists of only five officers at present; a much larger staff, required by the Authority, is attached to the Public Works Department and is engaged, under the supervision and control of the Director of Public Works, on development and reconstruction works of various kinds. The Authority, in other words, has supplemented the staff of the Department in order that the latter may be able to cope effectively with the increased demands now made upon it by the development and reconstruction programme. The Authority has gratefully acknowledged the valuable assistance that it has received from the Department.

To turn to the activities of the Development and Reconstruction Authority since its inception on the 1st August, 1945, honourable members will observe from the interim reports that have been published in the Press from time to time that a useful start has been made on the work of development and reconstruction. Copies of these interim reports, in printed form, have been laid on the table this morning, for the information and convenience of members.

As honourable members will appreciate, the work to be done by the Authority in 1947 will depend upon the reception given by this Council to the Development Committee's recommendations, which, as I shall mention later, will be discussed in this Council during the present Session. If these are generally approved, the Authority will be given its objectives and will be able to plan with confidence its attack on the vital and important tasks of development and reconstruction that lie ahead. 1947 should, therefore, see not only a continuation of the work begun in 1946, but also a vigorous start made with the most urgent works recommended in the report of the Development Committee. In particular, under the direction of the Member for Agriculture and Natural Resources it will be possible to make much more rapid progress with the rehabilitation of this land; with African and non-African settlement; with soil conservation and agricultural development generally, and with forestry development and the improvement and development of water supplies, matters to which I shall refer

in a little more detail in a moment. A comprehensive building programme covering staff quarters and departmental buildings of various kinds will also be undertaken. The road reconstruction programme will be continued.

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Under its terms of reference the Authority is required to submit an annual report to the Governor in Council upon the progress of all works and projects for which it is responsible, and to give an outline of the ensuing year's work. In view of the fact that the Development and Reconstruction Fund was constituted with effect from the 1st of January, 1946, the Authority intends to submit its first report as soon as possible after the end of the present calendar year. In that way the year of the Authority will correspond with the Colony's financial year; this will simplify the financial side of the report and be convenient in other respects also.

Turning now to the basically important activities under the general control of

(H.E. the Governor) has written a valuable report. The necessity for co-ordinating marketing policy generally and the stimulation of the consumption of locally produced products has exercised the Government for some time, and early attention will be given to this matter. One of the main difficulties which we have had to face has been to ensure adequate supplies of slaughter stock to meet the demands for meat from the urban areas and for employed labour. The present heavy demand for meat is likely to increase, and it is recognized that the orderly marketing of live stock must be an essential feature of the agricultural economy of the Colony. Experiments are being conducted to this end by holding auctions of cattle and goats in African areas, and before the end of the year proposals will be put forward for a Live Stock Marketing organization which will take the place of the existing Live Stock Control, which has operated so successfully during the war years. It will, of course, be necessary to provide for the new system by legislation.

While preparing the central organization to ensure a better use of the land in Kenya, it was found necessary to re-constitute the Tsetse Fly Committee. This Committee has now a full-time executive officer whose duty it will be to prepare for consideration by the Committee schemes for the reclamation of land at present infested with tsetse fly. In order that this policy may be carried through adequately on land owned by non-Africans as well as in African areas, a Tsetse Fly Bill has been drafted which honourable members will shortly have the opportunity of discussing.

Turning now to crop production, it may fairly be said that the plantation crops have had a reasonably successful year, although drought conditions have again affected the size of the coffee crop. A substantial increase in price for sisal has been secured, and it is hoped that an agreement will be made for the purchase for five years by the Board of Trade of their requirements of East African coffee. Labour difficulties have been experienced by all concerned with the growing of plantation crops, to which I shall briefly refer later. With regard to cereal and mixed farming, I am glad to be able to say that the accent

(H.E. the Governor) is being placed more and more heavily on the need for following good farming practices. This has not yet become as apparent as it should in the African areas, but additional staff has been recruited in considerable numbers by the Agricultural Department, and when these new officers have finished their training they will become available to carry out approved agrarian programmes for each district. As regards non-native areas, the Director of Agriculture has been able, with the additional staff now being made available to him, to commence with detailed inspection of farms, which is his duty under the provisions of the Land and Water Preservation Ordinance. He has already agreed with a number of farmers as to the action to be taken before the closing of areas which should no longer be cropped and for anti-soil erosion measures. This work will continue on an ever increasing scale.

Before I leave agricultural production, I would mention that the Government proposes to pursue to the best of its endeavours the policy of announcing in advance the prices to be paid for all agricultural products, including stock products. (Hear, hear.) Guaranteed prices for wheat for 1946 and 1947 plantings and for maize for 1946, 1947 and 1948 have already been or are about to be announced. This policy plays a most important part in ensuring that farming is put on a sound basis.

Turning now to settlement, the Commissioner for European Settlement has published from time to time information regarding the progress of the settlement schemes. A Bill is now being drafted to provide for the establishment, on a statutory basis, of the boards which will be responsible for the settlement schemes. The Bill will enable the Member for Agriculture to make regulations for the proper implementation of the approved schemes. In the case of European settlement, our proposals are now taking final shape. As regards Indian settlement, there have been several meetings of the Board, but so far definite plans have not emerged.

The problems of African settlement, re-settlement and land utilization have often been mentioned in this Council,

and most honourable members have some knowledge of them. They are complex and cover a vast field. On the general agrarian problem I have recently published a dispatch to the Secretary of State, and the Member for Agriculture and Animal Husbandry is now engaged in preparing a review of the situation and an account of the plans which we have in hand. I am happy to say that in a recent dispatch on the subject of the Development Committee's Report, the Secretary of State took the opportunity to make clear again the importance which he attaches to the problems of land usage, and to leave me in no doubt that I shall have his backing in the extended programme of rehabilitation on which this Government is about to embark. I cannot keep honourable members here this morning while I discuss this immense problem, and I must content myself with again giving a public assurance that the Government has been for the past year very actively engaged with it, and is determined to work out a general agrarian policy and means for its practical application throughout the Colony, and will see it through.

But it would be fatal at this stage to rush in, in advance of sufficient knowledge and experience, and without sufficient plant and skilled staff, for we are in fact in the opening stages of a great social and economic reconstruction. A very great deal is being done in the way of such relatively simple preliminary processes as terracing, the protection of steep hillsides, and even in one area fencing and dipping, and so forth, and I am glad to be able to say that there is an increasing disposition among the African people to listen to good advice and to collaborate in the protection of their lands. Our arrangements are making rapid progress, and as soon as honourable members have given their general approval to the report of the Development Committee and therefore to the provision of funds, we shall be in a position to set in motion a great many new activities in this respect. I am not here to give an annual report, if I were, I could give honourable members an impressive account of what has been done in the last year, but I can assure them that it is a mere drop in the ocean compared to what remains to be done.

[H.E. the Governor] and to what will in fact be done, and with that I must leave the subject.

The problems connected with research, whether medical, veterinary or agricultural, have been very closely studied during this year. Agreement in principle has been given to the reorganization of agricultural research, and to the removal of the centre of activities from Armani to a new institute at Limuru. It is hoped that we are now going to make progress with the proper organization of the Central Veterinary Research Institute, although we have unfortunately lost the distinguished services of Mr. Daubney, to whom the Colony and indeed a much wider region owes so deep a debt for his invaluable work over many years. (Applause.) The range of problems which research has to tackle in Kenya is immense, and I cannot stress too strongly the importance that the Government attaches to these problems being tackled on a comprehensive scale.

The Forest Boundary Commission is getting on with its work, and I hope to see the Department provided, under the Development Plan, with funds for a vigorous extension of the valuable work it has done for many years under great difficulties.

The Legal Department is proceeding as rapidly as circumstances permit with the preparation of a great deal of legislation with which, during the war years, it was not found possible to deal. Some of this legislation I have referred to in speaking of other subjects; in addition to that, there are the following important measures which it is intended to introduce during the present session: (i) A Bill to provide for compensation to be paid to workmen for injuries suffered in the course of their employment. In this connection I think it only right to say that for some time past, in accordance with a procedure arranged by the Labour Commissioner, both the Government and the great majority of private employers in Kenya have been paying compensation to injured workmen on the basis provided for in the Bill which will be introduced. Its enactment will, therefore, make proper legal provision for something which has hitherto depended upon the goodwill of employers. The Bill is

the result of recommendations made by the Labour Advisory Board. (ii) A Bill to enable the Governor in Council to fix minimum rates of wages for any occupation in the Colony either generally or in any specified area in cases in which he is satisfied that the wages being paid in any occupation are unreasonably low. Legislation enabling minimum wages to be fixed is already in existence, but the machinery for its proper enforcement is lacking.

It is also proposed to proceed during the present session with the Immigration Bill, which will doubtless be sent to a select committee; and the select committee reports on the Hospital Services (European) Bill, the Contributory Pensions Bill, and the Miraa Control Bill will be laid on the table. The select committee of this Council appointed to consider the draft of a Land Acquisition Bill to take the place of the applied Indian law, is actively engaged upon consideration of the measure, and it hopes to be able to submit its report during the present session. An item will be included in the 1947 Estimates to enable the long overdue revision of our legislation to be put in hand.

As members are aware, I recently appointed a committee to keep the emergency defence legislation constantly under review with the object of eliminating war-time restrictions as rapidly as circumstances permit. The committee is actively engaged in its work.

I regret to say that there has been an increase in crime in the Nairobi area, chiefly in the African locations. In most of the other areas of the Colony the position has not deteriorated. The proportion of convictions to crimes reported is steadily increasing, and as the strength of the Police is now on the up-grade an improvement during the forthcoming year may be hoped for. But I think it right to make an appeal, from the Chair of this Council, to all responsible Africans, and especially to those who are leaders of their people, for a very real and sincere effort to put a stop to what I can only describe as a shocking state of demoralization in respect of theft and other crimes of dishonesty. I know how many of them feel as strongly as I do about it, and I am glad to recognize

[H.E. the Governor] the collaboration and help which have been given by many, especially in the African locations in Nairobi. I have been long enough in East Africa to remember the days when African communities not only regarded thieving and cheating as shameful, but were highly successful in preventing them; so can many Africans, of course, with whom I have discussed the matter, and who are very distressed with the extensive deterioration which has occurred. It is not in essence a police problem but a social problem. The police, of course, have their part to play, and it is the duty of every citizen everywhere to help them in playing it, but it goes far deeper than that, and it is only when enlightened public opinion is aroused and determined to take effective steps that real improvement can be expected. Time was—barely a generation ago—when the honesty and trustworthiness of African communities were generally of a very high order. So they are still in some places, but in far too many parts of the country something has slipped in the mechanism of African society; an essential part is not functioning, and that defect must be remedied.

The police are, at present, handicapped in their work by inadequacy of police buildings, and it is the intention of Government to commence the erection of new police stations at Nairobi, Nakuru, Kisumu and, if possible, in some other towns during the year 1947. The Commissioner of Police hopes to be in the position during the forthcoming year of being able to make greater use of wireless communications, thereby increasing the efficiency of the Force. The report of the Police Terms of Service Committee is now in the hands of the Government and will receive its immediate consideration.

As regards local government, the necessary amendments to the existing Local Government Ordinances to give effect to the reorganization of the Local Government Department and to the establishment of a Local Government Board in accordance with the terms of Sessional Paper No. 6 of 1945, have been prepared, and a Bill will be submitted to this Council for consideration. In addition, a draft African District Councils Bill has been prepared by the

Member for Health and Local Government, whereby the present local native councils will be given additional powers and their procedure and constitution be brought more into line with the practice of other local government bodies in the Colony. Copies of the draft Bill have been circulated to all local native councils and the views of such councils are, at the moment, being collated. When this has been done a Bill will be laid before this Council. It is hoped that proposals for settling the allocation of financial responsibility between the Central Government and African District Councils and for establishing a basis of financial aid to African District Councils by the Central Government, will be ready for discussion by this Council before the Draft Estimates for 1947 are finally approved.

Members will recall that an undertaking was given that the recommendations of the Hospital Fees Committee would be carried out. An Interim Hospital Authority, has been operative since the beginning of the year, and the report of the select committee on the Bill will be laid on the table shortly.

Excellent progress continues to be made with African housing schemes in Nairobi, while in Mombasa a large scheme for Government African employees is now nearing completion. The Port Tudor Estate on the north of the island has been purchased and will be developed for further municipal African housing schemes. This estate, together with another portion of Crown land, provides an area of over 100 acres. The difficulty of finding sites for African housing on Mombasa island has exercised the authorities for some years.

The shortage of housing for Europeans and Asians is acute in most urban areas, particularly in Nairobi. One Asian housing estate which has been built and managed by the Municipal Council is now nearing completion. The Municipal Council, in co-operation with the Government, has already initiated temporary expedients for easing the housing shortage for Europeans in Nairobi, by taking over military camps and other establishments and running them under hostel conditions. The Government and the Railway Administration are also proceeding with extensive schemes for build-

[H.E. the Governor]

ing permanent housing for their own servants, and the Governors Conference will shortly follow suit.

Some concern is felt by the Government at an apparent deterioration in the relations between the various races in the Colony. This may possibly be due to reactions to the war, but it is none the less a disturbing factor. This Council will, therefore, welcome the intimation that as an outcome of the recent visit to this Colony of Professor Rheinallt Jones, Secretary of the Institute of Race Relations of South Africa, steps are being taken to establish in this Colony a Race Relations Institute, with objects similar to those of the South African Institute, and that the Member for Health and Local Government has formed a small committee, consisting of members of all races, to prepare definite plans for this purpose.

I have no time to refer in any detail to the provisions made under the Development Committee Report for large extensions of hospital services for all races, the establishment of health centres and other matters connected with public health, not least the extensive town planning which is in hand. I can only say that these matters are very much in our minds, and that the Member for Health and Local Government will pursue them vigorously as soon as the resources necessary have been placed at his disposal.

I do not propose to say much on the subject of education to-day pending the result of the examination, which is being made both in Kenya and in the United Kingdom, of the far-reaching recommendations of the Development Committee, especially in regard to African education. Heavy expenditure, both capital and recurrent, is involved, and the future development of education will depend, in respect of all races, upon the extent to which the necessary funds are forthcoming. If the money can be found, it should be possible to make substantial progress. The views of the Development Committee on the incidence of expenditure are worthy of study, and the Committee's recommendations regarding the expansion of African education indicate most important objectives and suggest a plan for reaching them. I would add that

the honourable Financial Secretary proposes to make some observations on the subject of educational finance in the course of his Budget speech.

In the field of Administration, Government has in hand a strengthening of provincial and district headquarters in order to enable them to deal more effectively with the growing volume of complex problems before them, and to permit of an increased measure of decentralization. There must be a limit, which I fear we are already approaching—if indeed we have not reached it—beyond which we cannot afford European staff. For that reason alone it is important that we should avail ourselves to the utmost of African staff for those administrative functions which it may prove able to discharge. In any case, it is in accordance with the accepted policy of this Government and of the Secretary of State that Africans should be afforded greater opportunities of participating in the administration. In accordance with these needs and this policy, five African assistant administrative officers have been appointed for service in the Nyanza Province, and one for service in the Central Province. Three of them have served in the Army. These six men are now undergoing a comprehensive course of training at the Jeanes School, and will be posted to their Provinces at the end of the year. The appointments are experimental, and whether more are made or not will depend on the experience gained with them.

Among the urgent needs of the growing number of literate Africans is a supply of suitable literature, at reasonable prices. The East African Governments in collaboration sought the assistance of Mrs. Esley Huxley in this matter, and she paid a visit to East Africa and has produced a valuable report, as a result of which it is proposed to establish an East African Literature Bureau under a permanent director with headquarters in Nairobi, to stimulate the production of books and other publications for the African population. It is hoped that this can be done very largely through commercial channels and that the venture may become self-supporting at an early date, but some expenditure will be involved in the preliminary stages.

[H.E. the Governor]

In this, as in many other social questions and in respect of development, a great difficulty has been the lack of accurate vital statistics. The last census took place in 1931, the 1941 census having to be postponed because of the war. Arrangements are now being made in conjunction with the other East African territories for a general census to be held in all the territories early in 1948. In the meantime, advantage will be taken of the opportunity presented by the issue at the end of this year of the new series of ration books to obtain as full details as possible of the non-African population. All applicants for ration books will be required to attend personally to collect their books, bringing with them evidence of their identity. I trust that all communities will give their full collaboration in this matter, which is of such general importance.

The post of Labour Commissioner has been raised to the equivalent of Provincial Commissioner, and the new Commissioner is now a member of this Council. The Department has been considerably strengthened, and now that it is combined with man power and demobilization covers the whole field of labour problems. I hope that the technical side of the Department will shortly be strengthened by the addition of a senior medical officer, a trade union officer and a factory officer. On the field inspectorate side, provision is being made for the promotion of a senior labour officer of many years experience to be Principal Labour Officer; his first duty will be to train the recently appointed labour officers.

The report of the sub-committee of the Labour Advisory Board appointed to investigate and advise on the African registration system is now ready to be considered by the Board. It was encouraging to learn from honourable members of all races at the last meeting of this Council that they support the suggestion for a system of identification applicable to all races alike which was made by the honourable Financial Secretary. It is a suggestion with which the Government agrees.

The position regarding demobilization is that there are still 875 Kenya

Europeans awaiting release, about 500 Asians, and 5,000 Africans. Dispersal arrangements have proceeded smoothly, and I take this opportunity of expressing the thanks of the Government to General Sir Kenneth Anderson and his officers for their part in this great undertaking. Honourable members are aware that Sir Kenneth Anderson has recently left the Colony on relinquishing his appointment as Commander-in-Chief, and will, I feel sure, wish to be associated in a warm tribute to his very distinguished services, a tribute in which, I also feel sure, they would wish to include Lady Anderson, who interested herself in so many important activities while she was in the Colony and endeared herself to all sections of the population. On behalf of this Council I wish to thank them both, and to wish them God-speed and great happiness wherever they may now be going. (Applause.)

On the reabsorption side, the European, Asian and African Central Employment exchanges will continue, as well as the African labour exchanges which have been set up in a number of districts. Training is proceeding actively and with encouraging results at the various training centres, and the first small batches of trained men have already gone out, all of them, I am glad to say, to well-paid employment, which I hope they will keep to their own satisfaction and that of their employers. I ought to add that I am happy to say—and it is due to the men that I should say—that, taken by and large, the behaviour of the soldiers after return home has been admirable.

On the general question of labour I cannot say much this morning, for it is so wide a subject that it can hardly be discussed on such an occasion as this. There are unquestionably considerable labour difficulties at the present time, and the output of work from unskilled labour in particular is not what it should be. At the same time, I think I ought to say that in skilled and semi-skilled occupations there are many thousands of Africans throughout the Colony, in Government and private employment and in enterprises of their own, who are giving loyal, industrious and efficient service. As it appears to me, the basic problem is with the unskilled labourer, and it is very largely an economic problem, and a problem of the maladjustment



[H.E. the Governor] Africa visited the Colony, and I hope that contacts then made will be followed up, for it is obviously of great mutual advantage that we should develop to the full trade between ourselves and the Union. An important international trade conference organized by the British and United States Governments will take place next year in the United Kingdom, and it is the Secretary of State's intention that the preparations for this conference should include a preliminary conference of British Commonwealth and Empire countries. It is the intention of the East African Governments to be represented at this preliminary conference by Sir Charles Lockhart, Economic Adviser to the Governors Conference. The main object of the conference is to reduce barriers to international trade and to prevent discrimination as regards the trade of the countries who become signatories to the agreements which it is hoped to make.

Honourable members will wish to know something of Government's intentions in respect of our local forces. The record of the Colony during the war is one of which we have every reason to be proud, and I desire to take this opportunity to pay tribute particularly to our own units, the Kenya Royal Naval Volunteer Reserve, the Kenya Regiment, the Women's Transport Service and the Kenya Auxiliaries Air Unit. The Kenya Royal Naval Volunteer Reserve is still performing important duties at Kilindini, but its future status has not yet been decided, nor whether it will revert to its pre-war status as a purely Kenya unit or will be incorporated in a naval volunteer reserve force on an East African basis, controlled and administered by the Admiralty. In matters of this kind we must await directions from the Admiralty. Honourable members will be glad to know that the Admiralty have generously made a present to the unit of the minesweeper H.M.S. *Rosalind*. The *Rosalind* is now in commission and has replaced the *Ndovu*.

The position regarding the Kenya Regiment is that, after the completion of its war-time role of training leaders, the Regiment as such was temporarily discontinued, but it has not been disbanded. It is intended that as soon as a decision has been reached as to the post-war defence of the Colony it should be reconstituted. The Government is also anxious that a place should be found in the post-war organization for the Women's Transport Service, more familiar to us under the name of the Fanyis.

During September a trade good-will mission sponsored by the Union of South

Africa visited the Colony, and I hope that contacts then made will be followed up, for it is obviously of great mutual advantage that we should develop to the full trade between ourselves and the Union. An important international trade conference organized by the British and United States Governments will take place next year in the United Kingdom, and it is the Secretary of State's intention that the preparations for this conference should include a preliminary conference of British Commonwealth and Empire countries. It is the intention of the East African Governments to be represented at this preliminary conference by Sir Charles Lockhart, Economic Adviser to the Governors Conference. The main object of the conference is to reduce barriers to international trade and to prevent discrimination as regards the trade of the countries who become signatories to the agreements which it is hoped to make.

As regards the war controls and regulations affecting commerce, the Government, as I have already said, is anxious that as far as practicable they should cease at the earliest possible moment. The matter is kept under continuous review by a committee under the chairmanship of the Deputy Chief Secretary, and it is the intention of Government that this committee should continue in being until normal conditions have been fully restored. It is, unfortunately, not at present possible to withdraw all war-time controls, partly because of currency conditions and partly because of acute shortages of goods, but it has proved possible to abolish a few, I fear relatively minor, controls, and I hope that the process will be accelerated during 1947.

One part of the controls, that is the various controls of foodstuffs, is a matter of continuous anxiety owing to the large scale black market operations indulged in for the purposes of trying to circumvent regulated distribution. But the food position in East Africa, as indeed in the whole world, continues to give cause for acute concern. Demands on the Cereals Pool continually increase, and only if we have two or three good crop seasons covering the whole of East Africa can we hope to accumulate stocks which will enable us finally to dispense with control.

[H.E. the Governor].

The question of the proper feedings of African labour in present circumstances is another constant source of anxiety. While better food may not immediately bring about better output, better output cannot be expected without an improved diet. But to secure the means of giving an improved diet at the present time is very difficult. With this in mind, and also bearing in mind the importance of reducing our dependence on maize, revised diet scales have recently been issued which should prove sufficiently elastic to enable them to be introduced gradually. An interim provisioning committee has been established largely with a view to advising employers regarding sources of supply and costs of the various ingredients which make up the diet. I do not think that any practicable steps that can be taken have been overlooked, but in the last resort, of course, all depends on the rain and the absence of locusts.

Government has received representations from associations representing all branches of the Civil Service on the subject of their terms of service, and accepts the fact that the time has come, as a consequence of the war, when a general review of Civil Service salaries on an East African basis ought to be undertaken. Apart from the fact that there exist a number of anomalies which should be corrected, it is the opinion of the East African Governments that the time has now come when the effects of the war on the salary structure must be subjected to expert examination in order that some appropriate adjustment may take the place of the temporary cost of living allowances which have had to be granted in the war years. Moreover, superannuation legislation in regard to all races is in need of an overhaul. Accordingly, with the concurrence of the East African Governments, the Secretary of State has decided to appoint a commission to review the present salaries and superannuation arrangements of the Civil Service in East Africa. It is the intention that appropriate local committees shall be closely associated with the deliberations of the commission in order that full account may be taken of local opinion.

A review of the terms and conditions of service of Asian civil servants is at

present being carried out by the Asian Civil Service Advisory Board, and a review of African terms of service by an *ad hoc* committee appointed under the chairmanship of the Deputy Chief Secretary. The results of these two inquiries will be available to the main commission, but it is the intention of the Government that, irrespective of the deliberations of the commission, action should be taken on any recommendations of the Asian Civil Service Advisory Board or the African Terms of Service Committee which appear to be specially urgent and which can be dealt with without prejudice to the main deliberations of the commission.

Coming lastly to the Budget itself, the Draft Estimates of revenue and expenditure for 1947 will be introduced and fully explained by the Financial Secretary to-morrow, and it would be improper for me to anticipate to-day what he will have to say. I will confine myself therefore to saying that, as regards expenditure, provision has been made for the maintenance and for some slight expansion of the services which the Government considers ought to be provided. Even with that slight expansion I fear that many of these services will be found to fall far short of what honourable members have asked for in the past and will no doubt ask for during the budget session, but they are as much as it appears to my advisers can be afforded. The revenue side represents the proposals which the Government has to make for meeting the cost of the services provided. These proposals will involve certain changes in taxation which I shall leave to the Financial Secretary to explain to-morrow.

The estimates of the Development and Reconstruction Authority represent a first instalment of the programme recommended by the Development Committee, and the estimates motion is so worded as to enable a full discussion of that programme to take place in the Estimates debate. The programme may be criticized as being too ambitious, and has already been criticized in this Council as being too unambitious, and it may well be that members will wish to amend or alter it after further examination and discussion. But it represents the result of over a year's labour by the members of the

(H.E. the Governor) Development Committee, who were particularly well qualified for the task which they undertook with such admirable energy and ability, and although there are matters on which I might have come to different conclusions, as far as I am concerned I am content to accept the report as it stands, with the proviso that if we find that we can make additional funds available I shall hope to see, as I have already said, a central secretariat constructed, and substantial additions made to the provision for roads. Be that as it may, the report presents a programme which, if carried out over a period of years, will unquestionably be of the greatest benefit to the Colony and result in a substantial increase of the national income and an improvement of the standard of living of the people of the country.

I fear that I have kept honourable members an inordinate time, and even so there are many other matters of importance to which I should have wished to refer had time permitted, for we are confronted with a great number of problems of great complexity and multifarious activities of great importance. We have a heavy programme of legislation before us, in the course of which many difficult and controversial questions will arise, to which we shall have to bring all that we have of resolution, goodwill and understanding, for we cannot postpone the majority of these urgent matters, upon which the rehabilitation of the Colony after the shocks of war so largely depend. We shall, I hope, discover in the course of our debates a spirit of compromise and, in increasing measure, of goodwill and collaboration between the representatives of all communities sitting in this Council, for it is only thus that we can hope to discharge the very heavy responsibilities for the people of the Colony of all races which lie upon us all to-day. (Applause.)

#### MINUTES

The minutes of the meeting of 26th September, 1946, were confirmed.

#### PAPERS LAID

The following papers were laid on the table:—

BY THE CHIEF SECRETARY (SIR GILBERT RENNIE):

Development and Reconstruction Authority interim reports covering period 1st August, 1945, to 31st July, 1946.

BY THE ATTORNEY GENERAL (MR. FOSTER SUTTON):

Select Committee report on the Miran Control Bill.

BY THE COMMISSIONER FOR LANDS, MINES AND SURVEYS (MR. ROBBINS):

Land grants returned under the Crown Lands Ordinance, 1st April to 30th June, 1946.

BY THE LABOUR COMMISSIONER (MR. HYDE CLARKE):

'Man Power, Demobilization, and Re-absorption Report, 1945.'

#### IMMIGRATION BILL

##### SECOND READING DEFERRED

MR. FOSTER SUTTON obtained leave to defer the second reading of the Immigration (Control) Bill till a later stage of the Session.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Wednesday, 23rd October, 1946.

#### Wednesday, 23rd October, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 23rd October, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 22nd October, 1946, were confirmed.

#### PAPERS LAID

The following papers were laid on the table:—

BY THE FINANCIAL SECRETARY (MR. TROUGHTON):

Draft Estimates of Revenue and Expenditure of the Colony and Protectorate of Kenya and of the Development and Reconstruction Authority, with memorandum for the year 1947.

BY THE MEMBER FOR AGRICULTURE, ANIMAL HUSBANDRY AND NATURAL RESOURCES (MAJOR CAVENDISH-BENTINCK):

Statement giving information asked by the hon. Member for the Coast in Question No. 49, 'Dispatch No. 44 from the Governor to the Secretary of State for the Colonies on general aspects of the agrarian situation in Kenya.'

#### ORAL ANSWERS TO QUESTIONS

##### No. 49 FOREST EXCISIONS

MR. COOKE (Coast):

Is it a fact that suggestions have been made to Government for the excision of portions from the forest reserves in the Highlands and the Coast? When such suggestions come under review, whose duty is it to see that such proposed excisions will not adversely affect the catchment area in the vicinity? Will Government give the assurance that no piece or parcel of forest reserve shall be excised in future without the consent of this Council?

MAJOR CAVENDISH-BENTINCK: A statement giving the information required by the hon. member was laid on the table this morning.

MR. COOKE: Your Excellency, I am unaware of the length of the reply, and I think it is only courteous that when I ask for an oral reply to my question 1 should have one. According to the rules of the Council I am entitled to it.

HIS EXCELLENCY: Surely the reply is that the hon. member is referred to the statement laid on the table this morning.

MR. COOKE: I have seen a copy, but have not received one.

HIS EXCELLENCY: Apparently there is a defect in our mechanics and copies of the paper are not available at this moment, but they have been sent for. The hon. member has had his answer to his question—he is referred to the written statement.

MR. COOKE: If I ask for an oral reply I am entitled to an oral reply.

HIS EXCELLENCY: I must ask the hon. member to accept my ruling that that in fact is his oral reply.

*Statement giving the information asked by the hon. Member for Coast in Question No. 49 of 1946*

On the general question of excisions from forest reserves the hon. member's attention is invited to Government Notice No. 262 published in the Official Gazette of the 19th of March, 1946, which notified the appointment of a Forest Boundary Commission. The terms of reference of the Commission show that it is the duty of the Commission to make recommendations for the inclusion within any forest area of land contiguous to it which should be properly included, and to make recommendations as to excisions from forest areas. It is not proposed to take any action to alter the boundaries of existing forest reserves until recommendations have been received from the Commission.

A number of requests for the excision of areas from forest reserves in the Highlands has been received by the Conservator of Forests, but no such applications affecting forest areas at the Coast have been received. All applications are referred by the Conservator to the Commission for a recommendation.

The need for a proper examination from every angle of a proposal to add areas to or exclude them from a forest

reserve is fully appreciated and is shown by the composition of the Commission, which includes the hydraulic engineer, whose prior concern is naturally the protection of water supplies.

Under section 4 of the Forest Ordinance, 1941, powers to declare that any part of a "forest area" shall cease to be a "forest area" are conferred upon the Governor in Council. I would, however, again draw the hon. member's attention to Government Notice No. 262 of the 19th March, 1946, and more especially to paragraphs 1, 2, 3 and 8 thereof which clearly convey that the main purpose behind the appointment of the Commission is by legal means to change the existing "forest areas" to "demarcated forests" in order that all parts of the Colony's Forest Estate may be accorded the greater legal security afforded by Section 5 of the Forest Ordinance, 1941, whereby no further changes in the boundaries of the Forest Estates can be agreed to except by motion of the Legislative Council.

#### No. 56—E.A. LITERATURE BUREAU

ARCHDEACON BLEICHER (African Interests):

Will Government please make available for public information the "scheme prepared by Mrs. Elspeth Huxley for a widespread development of literature for Africans" and will Government also state the progress achieved towards the adoption and implementation of this report (Development Report, Vol. 1, para. 183)?

DEPUTY CHIEF SECRETARY (Mr. Lindsay): It is the intention that as soon as practicable a scheme based on Mrs. Huxley's proposals for providing an adequate supply of suitable reading matter for Africans should be drawn up on inter-territorial lines and that it should be made available for public information.

With regard to the second part of the question, it is proposed that an East African Literature Bureau should be established and that a full-time Director should be appointed to have charge of it. It is also proposed, in order that preliminary work may be undertaken pending the selection of a Director, that an interim appointment should be made.

#### No. 57—INTER-TERRITORIAL DEVELOPMENT AND WELFARE PLAN

ARCHDEACON BEECHER:

Will Government please ascertain and report to Council what plans are proposed for keeping the public informed of proposals for the expenditure of East African allocation on a regional basis from the Colonial Development and Welfare Vote on inter-territorial development and welfare plans?

SIR GILBERT RENNIE: It is the intention that the public should be kept fully informed of proposals for expenditure of the East African allocation.

Council will recall that a communique was issued by the Governors' Conference and appeared in the press on the 21st of May to the effect that "a committee would be set up to examine programmes of expenditure under the £3,500,000 regional allocation to East Africa for the Colonial Development and Welfare Fund and the Conference accepted a proposal that a sum of £350,000 should be earmarked for the production of phosphatic fertilizer in Uganda, subject to a scheme acceptable to the East African Governments being presented for approval".

The committee has been appointed but has not yet met.

ARCHDEACON BEECHER: Arising out of that reply, in view of the considerable delay between May and October in convening a meeting of that committee, will Government state whether its development plans on an inter-territorial basis have in any way been inhibited as a result of no regional planning to date?

SIR GILBERT RENNIE: The answer is that in one respect, namely, our planning in respect of the road programme, progress is at the moment being held up to a slight extent on account of lack of proposals for the expenditure of the 3½ million pounds regional allocation, but I have already represented the matter to you, sir, as chairman of the Conference, and the necessary steps are being taken.

#### No. 58—MASAI WATER SUPPLIES

ARCHDEACON BEECHER:

Will Government please state what steps have been taken in 1946 to increase supplies of water in the Masai districts and to provide better grazing facilities? In particular, what steps have been taken to use the area loaned for the Masai wheat scheme for a development project?

MAJOR CAVENDISH-BENTINCK: It has not been possible to take any steps in 1946 to increase supplies of water in the Masai district. Plans have been prepared, however, which include the drilling of boreholes in the Kajiado and Narok areas and the extension of the Kedong pipeline, when drilling machines and surveyors are available. Further proposals for considerably increased water supplies are now under consideration.

The improvement in grazing depends to a very large extent on the provision of further water supplies and the curtailment of stock to the carrying capacity of the land. As a first step the Officer in Charge, Masai, and the Chairman of the African Settlement and Land Utilization Board have been asked to work out details for the utilization of the area loaned by the Masai for the wheat scheme at Athi River in a wider area of some 36 square miles to serve as a demonstration to the Masai of grazing control and limitation of stock.

ARCHDEACON BEECHER: Arising out of that reply, is Government aware that the loyalty of the Masai has been very seriously strained as the result of the failure to make any additional water available and consequently any additional grazing and the Masai's confidence in Government's plans on their behalf is at a very low ebb?

MAJOR CAVENDISH-BENTINCK: I take that as a statement and not a question.

MR. COOKE: Will the hon. gentleman inform us what he is doing about the land around the water hole at Simba which is eroded and is about as bare as the floor of this room?

MAJOR CAVENDISH-BENTINCK: I should like notice of that question.

#### No. 59—FUEL CUTTING CONCESSION, OLOLUA FOREST

ARCHDEACON BEECHER:

Will Government please indicate (a) the extent of the fuel-cutting concession granted in the Ololua Forest, (b) the person to whom this concession was granted, and (c) whether the Masai themselves were given any opportunity of benefiting by working the concession?

MAJOR CAVENDISH-BENTINCK: (a) A licence to cut and remove fuel from dead trees only, in the Ololua Forest, in 1945 616 tons of wood fuel were removed.

(b) Messrs. Trivedy and Co.

(c) No application has been received from any Masai for a licence to carry on the business of a fuel contractor in this forest. A sum of approximately £200, being profit on the working of the forest, was paid by the Forest Department to the Kajiado Local Native Council in 1946.

#### No. 60—EAST AFRICAN AIRWAYS CORPORATION

MAJOR JOYCE (Ukamba):

1. In view of the dissatisfaction that exists with the service supplied by the East African Airways will Government table the agreement or agreements recently made between B.O.A.C. and East African Airways?

2. Will Government state why a notice of increased air services by East African Airways was published by that corporation a few days before all its machines were grounded and its air services suspended?

3. Will Government state what numbers of European staff are paid by East African Airways to maintain their scheduled services with six Dominions and the average monthly cost to East African Airways of this staff?

4. Will Government substantiate the statement issued to the Press recently on behalf of East African Airways to the effect that the engines in use in their Dominions were not made by the De Havilland Company, and quote the numbers stamped on these engines?

[Major Jover]

5. Will Government state what steps were taken by East African Airways to obtain spares for their aircraft engines?

MR. LINDSAY: As regards the first part of the question, copies of the agreements will be laid on the table. It will be seen that a full description of the terms of the agreements was included in the paper on Air Transport Policy which was debated in Council on 19th July, 1945.

As regards the remaining parts of the question the Government is advised by the Chairman of East African Airways Corporation that the position is as follows:—

2. The decision to ground four aircraft was taken within a few hours of the Corporation being satisfied that such action was necessary. It was not known that this decision would be necessary when the announcement of increased services was made.

3. The staff exclusively on East African Airways services consists at present of seven pilots, a chief engineer, seven licensed engineers, nine unlicensed engineers, two licensed radio mechanics, and four engineer trainees. The remainder of the staff employed in administration, accounts and traffic, serve all airlines passing through East Africa and the numbers employed on East African local services cannot be distinguished. The approximate monthly cost to the East African Airways for all stations is £1,700.

4. The statement cannot be substantiated in the form in which it was made. The numbers stamped on the crankcases of the engines show that they were originally supplied by the De Havilland Aircraft Company, but this shows no indication as to the source of manufacture of the replaceable parts which have been embodied in the engines as a result of successive overhauls; and it was in these parts that defects developed. The source of manufacture has not yet been established.

5. East African Airways ordered the replacement of spares necessary for their aircraft engines through their agents in the United Kingdom, the British Overseas Airways Corporation. A description

of the steps taken in regard to each incident is contained in a lengthy report which will be furnished to the hon. member.

MR. BOWSER (Usain Gishu): Arising out of the reply to the second part of the question, is Government aware that the reply is likely to give rise to loss of confidence in the air services of this country?

MR. LINDSAY: The answer is that Government is not aware that there would be loss of confidence arising. (Laughter.)

MR. COOKE: Arising from that answer, is Government not in touch with public opinion in this country?

HIS EXCELLENCY: I did not catch your question!

MR. COOKE: Arising from that answer, is Government not in touch with public opinion in this country? (Laughter.)

#### NO. 61—SCHOOL CHILDREN TRAVELLING ON RAILWAY

Mrs. WATKINS (Kiambu).

Does the hon. General Manager, K.U.R. & H. intend to retain the regulation that school children travelling on the railway by night shall not be issued with bedding against payment? If so, will he give his reasons?

GENERAL MANAGER, K.U.R. & H. (Sir R. E. Robins): 1. The answer to the question is in the affirmative so far as it concerns children travelling under organized arrangements to and from schools.

2. The reason is as follows:—

The number of children travelling under these arrangements to and from schools is 1,400, compared with approximately 300 before the war. The number of sets of bedding possessed by the Railway Administration is just under 1,000, a proportion of which is always in the laundry, so that if all other passengers were deprived of bedding there would be insufficient to provide each school child with bedding. It is not practicable to increase the number of bedding sets as this raises serious storage problems on trains, as well as at depots, and it is considered that no hardship is

(Sir Reginald Robins) imposed in asking parents to provide school children with blankets for use when travelling to and from school.

Mrs. WATKINS: Arising out of the answer, does the hon. member realize that it is working very hardly on these school children travelling, that the parents are perfectly prepared to pay for bedding, that when you have these 1,400 children travelling you do not have so many other passengers travelling, and that if he has difficulty in buying the stuff I suggest that the Women's League will provide it, and if he wants a subsidy the League of Mercy would subscribe—

HIS EXCELLENCY: I am afraid the hon. member is making a speech and not asking a question!

#### NO. 63—LIVE STOCK CONTROL PURCHASES

MR. VASEY (Nairobi North):

Will Government please state the amount paid to the undermentioned tribes for cattle supplied to the Live Stock Control during the twelve months ending the 31st March, 1946: the Nandi tribe, the Lumbwa tribe, the Samburu tribe?

MAJOR CAVENDISH-BENTINCK: From the 1st April, 1945, to the 31st March, 1946, the total sum of money paid for cattle to the Nandi tribe was Sh. 296,651/50; to the Kipsigis, Sh. 93,177/00; and to the Samburu, Sh. 16,425/00.

#### NO. 65—GOVERNMENT EMPLOYMENT OF AFRICANS

MR. MATIU (African Interests):

(a) In view of the statement in paragraph 31 of the Development Committee Report that "It is the accepted policy of the Government to employ Africans, wherever possible, in suitable posts in Government service", will Government please give a detailed explanation why they lost the services of a university qualified African biochemist recently?

(b) Further, is Government aware that there are a large number of competent Africans in the African Civil Service to-day whose efficiency is impaired owing to their permanently being placed in subordinate posts?

(c) If the answer to the second part of the question is in the affirmative, will Government expedite the matter of creating high posts in the Government service for the very many capable Africans now serving?

MR. LINDSAY: (a) The African biochemist referred to resigned because he did not consider the salary offered him, which was the same as that given to African Medical Officers, was sufficient, and he had been offered an appointment outside Government service carrying a higher salary. His case was carefully considered by the African Civil Service Board and the Standing Finance Committee and his resignation was accepted with regret.

The answer to part (b) of the question is "No, Sir" for in fact any member of the African Civil Service who has the necessary qualifications is eligible for promotion to more responsible posts, and the Government is prepared to consider the creation of further promotion posts for Africans who are fit to discharge greater responsibility than is commensurate with the present scales of salary applicable to the African Civil Service.

(c) In view of the answer to part (b) of the question, part (c) does not arise.

MR. VASEY: Arising out of that reply, does Government, when assessing the salary of an educated and qualified African, bear in mind the advanced standard of living which the African in question is expected to occupy?

MR. LINDSAY: The answer is, yes.

#### NO. 66—AFRICAN TRADE UNIONS

MR. MATIU:

Will Government please state the number of names of African registered trade unions under the Trade Unions and Trade Disputes Ordinance, 1943? If the answer indicates that the number is small, will Government state what they intend to do to improve the position?

MR. HYDE CLARKE (Labour Commissioner): Two African Trade Unions have been registered under the Ordinance. They are the Nairobi African Taxi Drivers' Union and the Thika Native Motor Drivers' Association.

[Major Jove]

5. Will Government state what steps were taken by East African Airways to obtain spares for their aircraft engines?

MR. LINDSAY: As regards the first part of the question, copies of the agreements will be laid on the table. It will be seen that a full description of the terms of the agreements was included in the paper on Air Transport Policy which was debated in Council on 19th July, 1945.

As regards the remaining parts of the question the Government is advised by the Chairman of East African Airways Corporation that this position is as follows:—

2. The decision to ground four aircraft was taken within a few hours of the Corporation being satisfied that such action was necessary. It was not known that this decision would be necessary when the announcement of increased services was made.

3. The staff exclusively on East African Airways services consists at present of seven pilots, a chief engineer, seven licensed engineers, nine unlicensed engineers, two licensed radio mechanics, and four engineer trainees. The remainder of the staff employed in administration, accounts and traffic, serve all airlines passing through East Africa and the numbers employed on East African local services cannot be distinguished. The approximate monthly cost to the East African Airways for all stations is £1,700.

4. The statement cannot be substantiated in the form in which it was made. The numbers stamped on the crankcases of the engines show that they were originally supplied by the De Havilland Aircraft Company, but this does not indicate as to the source of manufacture of the replaceable parts which have been embodied in the engines as a result of successive overhauls; and it was in these parts that defects developed. The source of manufacture has not yet been established.

5. East African Airways ordered the complement of spares necessary for their aircraft engines through their agents in the United Kingdom, the British Overseas Airways Corporation. A description

of the steps taken in regard to each indent is contained in a lengthy report which will be furnished to the hon. member.

MR. BOWDER (Uasin Gishu): Arising out of the reply to the second part of the question, is Government aware that the reply is likely to give rise to loss of confidence in the air services of this country?

MR. LINDSAY: The answer is that Government is not aware that there would be loss of confidence arising. (Laughter.)

MR. COOKE: Arising from that answer, is Government not in touch with public opinion in this country?

HIS EXCELLENCY: I did not catch your question!

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(b) Further, is Government aware that there are a large number of competent Africans in the African Civil Service to-day whose efficiency is impaired owing to their permanently being placed in subordinate posts?

(c) If the answer to the second part of the question is in the affirmative, will Government expedite the matter of creating high posts in the Government service for the very many capable Africans now serving?

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[Mr. Hyde Clarke]  
2. The services of a Trade Union officer are required to advise on the registration and administration of Trade Unions under the Ordinance. The Government has already made provision for the appointment of such an officer to the Labour Department and efforts are being made to recruit a suitably qualified officer.

#### No. 67—AFRICAN CO-OPERATIVE SOCIETIES

MR. MATHU:

Will Government please give the number of African co-operative societies which have up to now been registered under the Co-operative Societies Ordinance, 1945? Is Government satisfied that the co-operative movement among Africans has been started in the best possible way?

CHIEF NATIVE COMMISSIONER (Mr. Marchant): By virtue of section 62 of the Co-operative Societies Ordinance, 1945, five African co-operative societies previously registered under the Co-operative Societies (Registration) Ordinance, 1931, are deemed to have been registered under the provisions of the new Ordinance. No new registrations of African co-operative Societies has as yet been made under the new Ordinance but three applications for registration are at present being examined by the Registrar.

The answer to the second part of the question is in the affirmative. The advice of Mr. W. K. H. Campbell was obtained in the first instance and an Administrative Officer of great experience has been appointed to the post of Registrar of Co-operative Societies to put this advice into practice. Four African Inspectors of Co-operative Societies were appointed earlier this year and having completed a course of instruction, are now working in the Native Land Units under the direction of the Registrar. Provision has been made in addition for the appointment of six African Sub-inspectors and steps are now being taken to recruit suitable men.

MR. MATHU: Arising out of that reply, would Government say whether they are satisfied that adequate propaganda has been undertaken to bring home to the African community the principles of co-operation, so that they may know exactly what is required?

MR. MARCHANT: The answer is that that is one of the prime duties of the Registrar and is being carried out.

#### No. 71—INDIAN IMMIGRATION MR. PAITAM (Western Area):

Is Government aware that certain Indian youths who were born in the Colony and had gone to India for education and whose parents by their unbroken residence in the country exceeding over 15 years had acquired right of domicile, are being refused entry permits to return to their land of birth because one or both parents of such Indian youths have now died? If so, will Government please state if it endorses the action of the immigration office and if so under what authority?

ATTORNEY GENERAL (Mr. Foster Sutton): The answer is in the negative, but if the hon. member will be good enough to furnish particulars of the cases he has in mind they will be inquired into and a written reply will be given.

#### SUSPENSION OF STANDING RULES AND ORDERS

MR. TROUGHTON: Your Excellency, I beg to move: That Standing Rules and Orders be suspended to enable me to move the motion standing in my name in lieu of the procedure laid down in Standing Rule and Order No. 52 (f)—That the Draft Estimates of Revenue and Expenditure of the Colony and Protectorate, the report of the Development Committee, the Draft Estimates of the Development and Reconstruction Authority, and the Draft Schedule of Loan Expenditure for 1947 be referred to the Standing Finance Committee.

Under Standing Rule and Order No. 52 (f) it is laid down that when a standing committee of finance is appointed, "not less than seven days from the date on which the draft estimates for the ensuing year are laid on the table the Chief Secretary or such member of the Council as the Governor may appoint shall move that the draft estimates be referred to the committee". As the Draft Estimates referred to in my motion were laid on the table only this morning, that Order has not been complied with. The reason

[Mr. Troughton]  
for my moving the suspension of Standing Rules and Orders is that when the Standing Finance Committee considered the Draft Estimates last year, it recorded the following view: "The committee feels that it is very difficult, if not impossible, for the legislature to do justice to the Draft Estimates in the debate owing to the short period of time available between the laying of the Draft Estimates on the table and the beginning of the debate. The committee accordingly recommends that consideration should be given, to the adoption of an arrangement whereby the Government officer (normally the Financial Secretary) when laying the estimates, should on the same or the following day deliver his speech on the motion to refer the estimates to the Standing Finance Committee and that the motion should then be formally seconded; that the report of the Government member's speech should be published in the Press or made available by some other suitable means to all members of the Council as soon as possible; and that Council should adjourn for a period of about ten days before resuming the debate". The report of the Standing Finance Committee was accepted and endorsed by this Council, and I take it that it represents the general wish of the Council.

MR. FOSTER SUTTON seconded.

The question was put and carried.

Standing Rules and Orders were suspended.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

##### WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE

MR. TROUGHTON: Your Excellency, I beg to move: That the Draft Estimates of Revenue and Expenditure of the Colony and Protectorate of Kenya, the report of the Development Committee, and the Draft Estimates of the Development and Reconstruction Authority, and the Draft Schedule of Loan Expenditure for 1947 be referred to the Standing Finance Committee.

This resolution covers a far wider field than the normal annual Estimates resolution. The fact is that the Colony's estimates, the estimates of the Development

and Reconstruction Authority, and the Development Committee's report itself are inextricably mixed up with each other and are completely interdependent. If, therefore, there were two debates, there is no doubt that they would overlap to a very great extent. Consequently the Government has thought it best to deal with the whole matter in one composite motion. It is quite impossible for me this morning to cover the whole subject in detail. I shall be long enough as it is, but I do propose to confine myself to the main questions of principle and to deal only with major changes in the Estimates. If members wish for further and fuller information, it will be supplied by Government spokesmen in the course of the debate.

I have no doubt that there will be controversy in this debate, but I think that when we get down to fundamentals, to the plain basic facts which are known to us all, and if we think them over in the light of reason, then I feel that it should be possible for a very wide measure of agreement to be secured. One of the main fundamentals is the importance of carrying on with the development programme which was launched—tentatively it may be—but which was launched by the formation of the Development and Reconstruction Authority a year ago, and by the division of the Estimates into two parts, distinguishing between the ordinary budget of recurrent and extraordinary expenditure and the budget of D.A.R.A.

At the outset I should like to give some picture of the background against which these Estimates should be viewed and I will try and give as few figures as possible, because I have no desire to confuse hon. members. When I addressed this Council a year ago, I said that it was then expected that there would be a surplus of revenue over expenditure for 1945 of about £150,000. That proved to be a cautious estimate, and when the accounts for the year closed we had a surplus of about £218,000, which brought the Colony's general revenue balance up to within £100,000 of the two million. This year, 1946, the approved Estimates show a surplus of £53,000. Hon. members will note, when they have an opportunity of reading the memorandum on the Draft Estimates, that the revised esti-

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[Mr. Troughton] the surplus is £200,000. This is considerably more favourable than was indicated in departmental returns, which I feel were unduly pessimistic. Yesterday, however, I received certain later figures from the Accountant General which indicate that the ultimate surplus may well be substantially in excess of the £200,000. I would point out, however, that it is difficult at this time of the year to form a really reliable estimate of the possible surplus. I would also say this, that whatever the surplus for 1946 may turn out to be in the event, for reasons that I will explain later, it cannot be regarded as in any way permanent or recurring.

That is not the whole of the picture of the background. We had envisaged making heavy drafts on our War-time Contingency Fund to meet various items of abnormal expenditure arising directly from the war, such as some of our expenditure on demobilization, reabsorption and training of ex-servicemen and women. In the event, it has proved possible to meet those charges from revenue without drawing on the fund. I hope, therefore, that it will be possible for the whole of the War-time Contingency Fund to be made available to the Development and Reconstruction Authority, as has already been approved in principle when we discussed this year's estimates a year ago.

Thus the Colony can, I think, look forward to beginning the year 1947 in a position of financial strength which is without parallel in its history. It is important that that should be so, because in 1947 we are embarking—in fact we have embarked now—on a new era in that history. The war being over, though as you, Sir, said yesterday, we have not escaped from its aftermath, as witness War Expenditure, Civil, half a million, nevertheless this must be regarded as the first post-war budget in the real sense of the term. In approving this budget subject to such amendments as may be found necessary, the Council will in fact be deciding the policy both in regard to post-war development and post-war taxation. Although we are embarking on this era with substantial reserves, they cannot by any stretch of the imagination be regarded as adequate for one thing they do not represent more than round about one-third of the annual revenue. How

have the results of the last two years, 1945 and 1946, been attained? On the revenue side the main feature has been the unexampled buoyancy of customs revenue. This can be accounted for by a variety of factors, all of them interdependent. In the first place, during the early years of the war reserves of purchasing power grew apace; there was an acute shortage of shipping space; there was an acute shortage of consumer goods; drastic restrictions were in force, both on imports into this country and on exports from the countries which normally supplied us. During the past two years, it is true, there has been a progressive relaxation of these restrictions, though the present position is far from being all that could be desired. There is still, for example, an acute shortage of cotton textiles and it is difficult to see adequate supplies ahead. There is an acute shortage of that great gift from Scotland to the human race—whisky—and no sign of adequate supplies in the near future! Above all, there is a shortage of what may be called consumer goods for the mass of the African population, a shortage which has had, and will continue to have, a profound effect on the economy of the country and on the output of the African worker.

On the other hand, considerable expenditure has been incurred in the Colony during the war by the Service departments. Prices of primary products have been fair and reasonable—in some cases perhaps just a little more than fair! The result of all these factors is that considerable reserves of purchasing power exist, and one main result of the existence of these reserves is active trading conditions and an unexampled buoyancy in customs revenue, though we cannot expect this buoyancy to be maintained for reasons which were given by many speakers in this Council during our debate last month and which I need not go over again. On the other side of the picture, shortage of material and labour has prevented much desirable public expenditure. Time and time again money has been voted by this Council for projects which were thought to be desirable, to be essential, and the end of the year has come without a penny being spent.

Thus we have accumulated reserves, but we have also accumulated obliga-

[Mr. Troughton] (Mr. Troughton) What are these obligations? It has often been said that Kenya is a poor country; and I do not think that any of us can seriously dispute it. It is not true to regard Kenya as a poor country which has been enriched by the war. Nothing of the kind has taken place. What has happened is that during the war food has had to be produced at all costs. In the native areas, in particular, the policy of the Government, and a necessary policy it was, has been to produce the maximum quantity of food that could be produced, without serious regard to the fertility of the soil. The result is that while we had a serious agrarian problem before the war, that problem has grown past all recognition and the Colony's main obligation, namely to deal with that problem, is one before which our financial resources are relatively insignificant.

Our second obligation, which is interconnected and interdependent with the first, is to endeavour to reverse the position under which Kenya is a poor country; in other words, to quote the Development Committee, "to use the natural resources of the country, including man power, in a manner calculated to increase the national income of Kenya in the shortest space of time, so as to raise as soon as possible the standard of living of the majority of the inhabitants." In order to do that, we must not only cope with the agrarian problem over a period of years as quickly as possible, but we must do many other things, an outline of which appears in the Development Committee Report. These obligations have long been recognized by the Government and by the peoples of this country, and it was as a result of recognition of them that the Development Committee was appointed. It may be said—and I have no doubt it will be said—that the report of the Development Committee is not an ambitious document, and it may also be said, as you, Sir, pointed out yesterday, that it is too ambitious, but whatever criticism of that report there may be, I contend that the proposals in it are closely linked with the financial realities of the situation. In the first place, the policy advocated in that report is to put together every penny that we can scrape into a Development and Reconstruction

Fund. The Committee examined with care the question as to just how many pennies we could scrape together, and it will be seen from the report that we envisaged a net amount of just over 15½ millions available for capital expenditure during the next ten years. The report indicates in some detail how it is proposed to expend that sum.

On the other side of the picture, the carrying out of that development programme, with a growth in social and productive services, must involve increased recurrent expenditure on the part of the Government, and the question which has to be faced, and which we have got to face now, is how far can the general taxpayer stand such an increase in recurrent costs. This was a question to which the Development Committee devoted much anxious thought, and it could see no royal road to a clear cut answer. There are no statistics of the national income; still less are there statistics of the national income over a period of years, which would enable us to judge what is the taxable capacity. Consequently the Development Committee was forced to be arbitrary. It decided to plan on the assumption that revenue from taxation—and I repeat revenue from taxation, and not simply all Government revenue—would amount at the end of the ten-year period to approximately 25 per cent more than the present level. Although this conclusion was arbitrary, Sir Wilfrid Woods, writing completely independently, reached a conclusion that was not dissimilar, in which he envisaged that the average amount of annual tax revenue in the next five years would show an increase of about £420,000, without appreciable assistance of taxable capacity from the development programme itself.

Thus I contend that the Development Committee's Report was related to realities in two ways. First, in regard to the total sum likely to be available for capital expenditure and, secondly, in regard to the Colony's capacity to stand increased recurrent commitments.

If we consider the order of priority which should be accorded to the recommendations of the Development Committee, I consider that the first on the list should be the proposed comprehensive geological survey of the Colony.



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It is only by the discovery of valuable minerals on an exploitable scale that the national income, and therefore the taxable capacity of the country, can be increased in a really spectacular fashion. It is therefore only by the discovery of such minerals that it is possible, without further external help, for us to spend on the agrarian problem the money which should be spent on it. In other words, it is only by the gaining of additional wealth that we can substantially step up the 41 millions which it is proposed to spend on soil conservation and the reconditioning of African areas and African settlement. A comprehensive geological survey is of the very first importance, but unfortunately it is extremely difficult to recruit geologists. We are doing our best, but the task is far from easy. Perhaps I might suggest that any parents who are in doubt as to a career for their sons might do far worse than think of putting them to study geology?

A geological survey—or rather perhaps I should say the discovery of minerals as a result of a geological survey—cannot be regarded as a panacea for our poverty. For one thing, there may be nothing in it. We may have no really large quantities of exploitable minerals. But, minerals or no minerals, it is essential that the soil, water, the forests and, above all, the man power of this Colony should be utilized in the best possible way to the maximum possible extent. That presupposes many things: education and health, closer settlement of the land, provision on a large scale of suitable reading material for the African population; residential settlement in areas that are suited for it, industrial development and a proper system of agriculture and animal husbandry. All these questions are discussed in this report, and I hope that during the course of the debate members will let us have their views on that report, for the guidance of the Standing Finance Committee.

I should like again, at the risk of being tedious, to make one point quite clear. The whole object of my settling a development programme and creating a Development and Reconstruction Authority and a Development and Reconstruction Fund, was to enable that programme to be launched and to be

continued without interruption without it being necessary for the Authority to seek approval every time it wanted to engage a road foreman or a soil conservation officer. Once the programme is approved, the Authority should be able to go ahead without constant reference to the Standing Finance Committee or to the financial officers, though it will obviously be necessary for both the Standing Finance Committee and the financial officers to be kept closely in the picture.

Some years ago a friend of mine was appointed District Commissioner of an important district in this country, and he was told that it was the intention of the Government to keep him there for about five years. My friend spent the first two or three months in making a list of the various things in his district which he felt needed to be done, and he put the list on record. When he left, his successor told me that, with only one exception, all the things which my friend had set out to do had in fact been ticked off as done. And that, Sir, is what it is the intention of the Government to do with regard to the Development Committee report in whatever form it may be finally accepted.

Now I turn to the expenditure estimates. Details of these estimates are fully explained in the memorandum which hon. members have not yet had a chance of reading, but I would commend it to their attention, and suggest that they should read it with care before the budget debate is resumed after to-day's adjournment. I shall, therefore, confine myself to a discussion of some of the main changes.

First of all, it is desirable that there should be no misunderstanding regarding the personal position of the Financial Secretary in regard to the preparation of the estimates, because the position this year, with the appointment of members of the Executive Council responsible for groups of departments, has been somewhat different from what it was in the past. Some months ago, before work on the Draft Estimates began, a preliminary appreciation of the position was prepared by myself and submitted to you, Sir, in Executive Council. As a result, instructions were conveyed on your direction to members of the

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Executive Council that their estimates of recurrent expenditure must be submitted within certain monetary limits which received the approval of Executive Council. The letter in which those monetary limits were set out suggested figures within which each departmental estimate should be framed, and the letter also requested that if any member of Executive Council felt there was some service to which the Government was committed or which seemed to him to be highly desirable but which could not be financed within the money allotted to him, the estimate should be submitted on a separate sheet of paper. I undertook to make every effort to make the necessary financial provision at a later stage in the budget should it be possible to do so, at the same time reserving the right to make any alterations in matters of detail, particularly in regard to salary scales, which seemed necessary.

The alterations for which I am responsible are relatively few. The responsibility for fixing the over-all limit of expenditure in each department was the responsibility of the Government as a whole, for which I am answerable in this Council, but the responsibility for the detailed provision made within those total figures is primarily the responsibility of the Members concerned. That is the position. I have found it necessary in one or two cases to allow increased expenditure over and above the amounts originally allocated; for example, the allocation made to my hon. friend the Director of Education was insufficient to cover the department's obligations arising from compulsory education, and additional provision was unavoidable if compulsory education had to be retained. Again, the allocation to my hon. friend the Member for Health and Local Government was insufficient to cover quite a number of things. It was not enough to cover Government's obligations by way of contributions to Nairobi Municipal Council in lieu of rates, and not sufficient to make anything like reasonably adequate provision for the maintenance of roads in district council areas. Consequently, more has had to be allowed for these purposes.

Generally speaking, the policy which has been followed in the preparation of

the expenditure estimates has been, in the first place, to meet commitments. I do not propose to give a detailed list of what those commitments are, but they include such things as pensions, debt charges, grants to local authorities, normal increments to existing staff, charges for passages, and all the rest of it. Secondly, we have endeavoured to meet most of the pressing administrative needs by providing increased recurrent expenditure on the Police Force, Provincial Administration, and so on. Again, we have endeavoured to allow a modest increase in expenditure of a directly productive character, recurrent expenditure which should have the effect of increasing the national income. Increases have been allowed for this purpose in respect of the maintenance of roads and agricultural and veterinary services. Next, we have had to allow some increases in the service directly connected with the collection of revenue. I refer particularly to the Customs and Inland Revenue departments. And the reason we have allowed these increases in expenditure is that we believe that the amount involved will be more than covered, will be covered many times over, by the additional revenue which they should secure by enabling closer checks on collection to be made. We have also had to allow for some increase in recurrent expenditure consequent on capital expenditure on development; for example, in regard to the agricultural school at Embu.

In all this we have had in mind the overriding necessity of avoiding waste, because the taxpayer is entitled, if he pays taxation at a relatively high level, to be assured that the money he contributes is not wasted. It may be, Sir, that the estimates when examined will be criticized as being extravagant, and probably we on the Government side may be accused of being irresponsible bureaucrats. The fact is that nothing could be further from the truth. Most of the time of the financial officers is spent in the critical investigation of requests for more funds—most of the requests supported by members of the unofficial community—and investigating them with a view to ensuring that public money is not in fact wasted. The Financial Secretary and his officers are not paid simply to approve expenditure by signing on the

[Mr. Troughton] further, they are paid to ensure that no expenditure is incurred without very good reason, and also to control approved expenditure with the object of making sure, so far as in them lies, that there is no waste.

If any hon. member feels that this budget of expenditure is extravagant, I would ask him a simple question: "Where would you cut it down?" If he replied "That is your affair," I would say "Very well. The biggest increase in recurrent expenditure is on the Police Force. Shall we cut that down?" He would probably reply "No, whatever you do you must not cut that down." I should then retort "Well, where shall we cut it down?" The fact is that this budget of expenditure represents, in the opinion of the Government, substantially the minimum cost of the services which we feel the communities have a right to expect from the Government, and if the communities, or any of them, consider they should not have these services then it is perfectly reasonable and proper for Government to say "Which of them shall we cut out?" and I would ask hon. members in considering the expenditure estimates to bear that aspect of the matter in mind.

I propose to deal briefly with one or two of the major increases in departmental votes.

First, Administration, where the increase is round about £20,000, as near as no matter. This increase arises for two main reasons. In the first place, it has been necessary, for reasons stressed again and again in the Council, to strengthen the staff of the Provincial Administration and to make available to them sufficient funds to carry out their duties efficiently. There is no point in my going over these arguments again this morning, and I imagine the Administration vote will not be seriously challenged on that account. The second cause of the increased cost of the Administration is that we have collected together under this head all the various expenditures on what might be broadly classed as social welfare, and have provided for some expansion. The expansion is, however, very largely confined to headquarters staff, because we feel that social welfare is essentially a measure

which should to a very large extent be financed from local sources; the municipal and district councils in the settled areas and local native councils in the native areas. The proposals in the estimates regarding social welfare closely follow the report of the Development Committee.

The next big increase is under "Civil Aviation", £20,000 again. This, if I may say so, is very largely a phoney increase. The fact is that under an agreement with the British Overseas Airways Corporation we exempt them from customs duty on aviation spirit. There is no provision in the law for that exemption, so that the only way we can do it at present is to adopt the device of collecting the duty and then refunding it. With the development of the York service the consumption of fuel by the B.O.A.C. has increased by leaps and bounds, and consequently our expenditure goes up too, but it is directly covered by customs revenue.

Education—nearly £40,000 up. I have already explained that the only real alternative to a vote of this magnitude is the repeal or modification of the legislation providing for compulsory education. I spoke on this subject at some length last year, and there is no point in my going over the ground again, except to say that the position is such that it must cause the gravest concern. We agreed last year that an *ad hoc* committee should be appointed to inquire into the whole question of educational finance as soon as the Woods fiscal survey had been completed. That happened only the other day. But meanwhile the Government has not been idle. Any committee to inquire into educational expenditure must have adequate statistics and figures at its disposal, and in the Education Department, as elsewhere, have been sadly lacking. Realizing this, the Government has been able, through the courtesy of the National Park Trustees, to secure the part-time services of Colonel Cowie, the executive officer to the Councils and himself a qualified accountant, to carry out a fact-finding investigation with a view to placing the results before this committee. The investigation Col. Cowie has made is nearly completed, so that the way will soon be clear for the appointment of the committee, and there is no

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reason why the committee should not get down to its task, except that the proposals of the Development Committee in regard to African education have not yet been fully examined, though they have been discussed with the Advisory Council on African Education. The task facing this committee will be onerous and difficult, and frankly it is not going to be easy to get together a suitably qualified team to undertake it.

One of the most controversial things, I imagine, in the Development Committee report is the proposals for the development of African education and the basis under which the greater part of the finances would come from the fees to be paid by African parents. The Development Committee were very conscious of the shortcoming of our proposals, and did not hesitate to say so. A four-year course as opposed to a six-year was open to objection; the dilution of qualified teachers with less qualified teachers was open to objection; and the basis of fees was open to objection. Nevertheless, the committee recommended its proposals because they represent the only practicable way of making progress that they could see within the limits of the funds available—I repeat, within the limits of the funds available. I know that the proposals came heavily under fire when they were discussed by the Advisory Council on African Education. Indeed, Sir, I am not sure that the views of that Council did not constitute to a great extent a policy of despair, but I can say this, that if the various experts on that Council can produce an alternative scheme which in their opinion is more workable and which will cost no more—and I repeat, which will cost no more—then the Government will be very happy to consider it.

Information Office. Provision for this office has been made on the recurrent side of the budget in accordance with the recommendation made by the Development Committee. It is the intention that the office should devote its attention very largely, if not entirely, to the dissemination of information among the African population.

Income tax expenditure. The increase shown in the estimates is modest, and I am not sure whether it will not be neces-

sary to ask whether the Standing Finance Committee will agree to vote further funds. At this stage I should like to digress a moment and say a word or two on the subject of tax evasion. During the debate last month both the Acting Commissioner and I expressed strong views on this subject, and I do not wish to go back on those views at all. On the contrary, I should like to re-affirm that the Government regards it as of prime importance to eradicate evasion ruthlessly. But I feel that there may possibly be some misconception as to the amount of evasion that has taken place and is taking place to-day. I have heard the view expressed that if only evasion could be eliminated there could be a spectacular reduction in income tax rates without any corresponding loss in revenue. That, Sir, neither the Commissioner nor I believe. We recognize that evasion does exist; but we have only hearsay to a very great extent to go upon, and we do not believe it can be of spectacular dimensions. It is none the less important, whatever its dimensions, that it should be eliminated because it is like the plague; when successful, and when it gets hold of the population, the tendency is for it to spread, whereas if it is dealt with severely taxpayers will recognize that the game is not worth the candle, and that view can be equally widespread and evasion stopped.

Labour. The increase in the vote of my hon. friend the Labour Commissioner represents to a very large extent a commitment resulting from the expansion of the Labour Department which was approved a year ago with the general consent of all sides in this Council.

Medical. This is up by very nearly £70,000. These estimates allow for some increase in staff and medical services, but the main cause of the increase is an additional sum of £13,000 on the vote for the purchase of medical stores and equipment. That arises because, during the war, we were fortunate in being able to get penicillin and D.D.T. for nothing, but now we have got to pay for them, and very expensive drugs they are. I have no doubt that all hon. members study the *Readers' Digest* and therefore know exactly what penicillin and D.D.T. can and cannot do, but if they do not

[Mr. Troughton] my hon. friend the Director of Medical Services will be happy to enlighten them! But I feel that this expenditure must be allowed, because it would be indefensible for the Government not to make provision for the purchase of adequate supplies of these drugs in view of the relief they can give to human suffering and mortality.

Last year, the Standing Finance Committee recommended that consideration should be given to the institution of an inquiry into the method of financing the medical services as soon as the Development Committee report was available. Well, sir, in so far as the European services are concerned, the matter has been largely dealt with by the formation of a Hospital Authority. Here I should like to point out a matter of detail, that the accounting arrangements between the Hospital Authority and the Government have not yet been fully tied up. Provision is accordingly made in the Draft Estimates for the full cost of the running of the Government European hospitals in the colony, but on the revenue side we have provided for the reimbursement of £30,000 from the Hospital Authority. That represents a rough estimate of the cost of running the Government European hospitals.

The Asian hospital question is at present receiving consideration by a committee appointed for the purpose, so that for practical purposes we are left with the question of the African service. I think that most of us would agree that African users of the facilities provided by the Medical Department should pay for them, and indeed, that they would be willing to do so. The question of working out a suitable scheme is, however, largely a matter for the experts, and will have to cover such things as the devising of detailed checks to supervise the subordinates and to devise a system of exemptions to ensure that medical relief is not refused to those who are in need of it but cannot in fact afford it. It is proposed shortly to appoint a committee of experts to examine these questions and report on them to the Government.

Military expenditure. Provision has been made for a contribution to the War Department at the same rate as this year.

The position here is this, that the considerations involved are not purely local. The United Kingdom Government has not yet taken a decision as to the future of the local military forces, and until it takes such a decision and until the cost of the future forces can be estimated it is not possible for this Government to formulate any estimate of its probable commitments. Therefore, we have inserted the same amount of money in the estimates as during recent years. Naval expenditure is exactly the same story.

Post Office. Up by nearly £30,000. This should not be looked on in the ordinary sense as an increase in Government expenditure. The business of the Post Office is undergoing a steady expansion, and we hope it will continue to expand—more expenditure, but more revenue. Part of the increase is due to the absorption in the permanent establishment of temporary staff engaged for war-time purposes, but with the expansion of the Post Office business it has been necessary to retain these and to provide for a still further increase. There have been complaints—some of them, I think, quite justifiable—by the public regarding the delay which they experience in getting served in some of our larger Post Offices, and the only remedy is an increase in staff which, under the present accounting arrangements, means in effect an increase in Government expenditure.

Apart altogether from the Post Office as such, the savings bank business has grown, and very glad we are to see it, because it is due to the increased popularity of the savings bank among the African population. This increase means more staff, though the cost is reimbursed by the banks themselves. Finally, we have to vote more funds for the conveyance of mails both by sea and air and for warfarage charges.

I said last year that the present accounting arrangements for the Post Office were thoroughly unsatisfactory, and expressed the view that they should be thoroughly revised and the department run on commercial lines on a self-accounting basis, very much on the lines of the Railway Administration. That remains the policy of the Government and will be put into effect as soon as the necessary investigations have been made and a system worked out in detail.

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All this is very well, but on hon. members may say that the present accounting arrangements an increase in expenditure should be counterbalanced by an increase in revenue, but they find that the revenue is up hardly at all; where has it gone to? We have felt it prudent to keep the revenue estimate down at a conservative figure because of a probable modification in air mail charges. Hon. members will remember that, before the war, we had an all-up Empire air mail scheme under which letters were conveyed for 20 cents to pretty well anywhere in the Empire. When war broke out, that scheme was abandoned, and we resorted to the Sh. 1/30 rate, and afterwards we brought in a very useful system of air letters at 50 cents. It is obvious both to my hon. friend the Postmaster General and myself that some modification of the present air mail charges will be necessary on an Empire basis, even though we may not—and I hope will not—have to face the sacrifice in revenue which would be involved in going back to the 20 cent pre-war rate, which I think was perhaps unnecessarily generous.

Printing and Stationery. Here again a definite increase in the activities of the Government Press is proposed. We have been fortunate in that we have been able to secure valuable lithographic plant from the military authorities, and this will enable the Government Press to undertake a lot more work both for Kenya and for the other East African Governments, and it will also save us sending to the United Kingdom work which up to now could not be carried out in this country. Of the additional expenditure, something like three-quarters will be covered by additional revenue, but the remaining quarter will be covered by savings in other ways. I should like here, if I may, to pay tribute to the Government Printer and his staff for the very efficient work which they have carried out, sometimes in circumstances of great difficulty over a period of years (hear, hear), particularly during the war. Supplies of paper have been difficult, old plant has had to be kept going as best it could, and all the time the demands on the Press have continued to rise. I think we must agree that all

the staff of the Government Press have done a very stout job.

Prisons. I fear we must regard the extra expenditure on prisons as a commitment, for as long as this Council gives the judiciary and the magistracy power to sentence individuals to imprisonment there is a commitment on the part of the State to receive them and to feed them. The prison population continues to rise, and the cost of food continues to rise too. Hence the very large increase in Prisons expenditure. For the rest, we hope that the Approved School at Kabete will be open to deal with young offenders, and we also hope to extend the probation system, which from the purely financial point of view should lead ultimately to a saving in expenditure on prisons by keeping people out of them.

Road maintenance. One of the most difficult problems is to fix the amount to be allocated to road maintenance, and in road maintenance I include not only expenditure by the Public Works Department but by District Councils in the form of basic road grants. The money available is always limited, and the amount of money available must always be the limiting factor. On the other hand, we are told by those who ought to know that, in limiting the funds available for maintenance of the Colony's road system, the Government is sowing the wind and will one day reap a whirlwind, because the starvation of the roads for maintenance will lead in the future to heavy expenditure on capital improvements, which could be avoided if the expenditure on maintenance had not been restricted.

There is another aspect of this matter. I think we would all agree that in a developing country like East Africa one of the major prerequisites is cheap transport. That, when all is said and done, is the main object of a railway. As regards road transport, there are two ways in which cheaper transport can be achieved. In the first place, it would be possible, by direct Government action, to reduce the price of motor spirit by a reduction in the petrol consumption tax. Secondly, a reduction in the cost of transport can be achieved by raising the roads to a standard where they can carry traffic without damaging it seriously and by maintaining the roads at that standard.

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I do not know what the average cost of pot-holes is in this country, but I recently had an opportunity of examining a report made in Uganda, and that report led to the conclusion that the average cost of pot-holes on motor transport was something like 3d. a mile. If we accept that, the effect of removing the pot-holes and keeping them removed would be tantamount to a reduction in the petrol consumption tax. In fact, on the basis of 3d. a mile, it would be tantamount to such a reduction as would give everyone their petrol for nothing, because the actual cost of petrol in transport costs hardly comes to 3d. a mile. Therefore, the Government has come to the conclusion that the best way to deal with this matter is to keep the petrol consumption tax as it is, but to remove the pot-holes and to keep them removed!

It has been argued, and argued quite strongly, that the only way to achieve a satisfactory standard of road maintenance is to have a Road Authority responsible for all the roads in the Colony, and for that Authority to control expenditure from a road fund, consisting of such moneys as might be put at its disposal by this Council. I used to think, and I have publicly said that I thought, that the creation of such a fund was open to objection. So it is, but I am not sure whether the advantages may not outweigh the objections. So far as the Road Authority itself is concerned, I feel that in present circumstances, if we are to have a Road Authority, the proper Authority is the Development and Reconstruction Authority, which in any case must control capital expenditure on the road programme. I have Your Excellency's authority to say that the idea of a Road Authority and a Road Fund is, in the opinion of the Government, worth exploration in detail, and it is accordingly the intention of the Government shortly to appoint a committee to go into the matter and, if they can, to submit proposals to the Government for consideration.

But I must make one thing clear. There is a fallacy that has got to be removed. It is not possible to spend more money on the roads without more revenue, and it is idle to assume that by the creation of a Road Fund more money can be made available for the roads without any

increase in taxation. If we are going to spend more on roads than we are at present, however it is controlled, we must get the money from somewhere. If, for example, we decide that revenue from the petrol consumption tax and revenue from traffic licences is to be paid into a Road Fund, and if that revenue is not enough, then it will be necessary either to step up the petrol consumption tax or to step up the traffic licences, or a combination of the two. There is no royal road, I contend, either by the creation of a road fund or by any other device, to enable us to finance more recurrent expenditure without recurrent revenue.

That is all very well; there is no Road Fund now, and what are we going to do about it? District Councils produced to my mind, a very strong case for a further increase of 25 per cent in basic road grants, and my hon. friend the Director of Public Works produced an equally strong case for a similar increase in his maintenance votes. It has not proved possible to grant these requests, but what we have done in these Estimates is to allow an additional 10 per cent, which is as far as Government feels that it can go in present circumstances.

While on the subject of roads, I should perhaps mention that I feel that the Development Committee has made inadequate provision for capital improvement of our road system, but the short fact is that if more money were to be allocated in that report it must come off some other item, and we could see no other item from which it could usefully or profitably be taken. The expenditure of the amount provided for the capital improvement of roads will be controlled by the Development and Reconstruction Authority, in close consultation with the Central Roads and Traffic Board. That necessitates the working out of a system of priorities in detail; a very difficult task in view of the heavy demands for money for roads, but one which is already engaging the attention of the Central Roads and Traffic Board, which has a sub-committee going into it.

Another difficult expenditure problem is the maintenance of Government buildings. Here it is very much the same. My hon. friend the Director of Public Works

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provides that unless adequate funds are voted for the maintenance of Government buildings, we are storing up for ourselves a packet of trouble for the future, because we will have to cope with re-building and all sorts of uneconomic repairs, which would never be necessary if the buildings had been properly maintained from the word go. We have not felt able to provide for any increase in the recurrent item for maintenance, but we have made provision under Public Works Extraordinary for a matter of £10,000 in the hope that it will enable some leeway to be made up in respect of the arrears of maintenance which it was not possible to carry out during the war.

As regards the Public Works Department generally, I have only one point to make. Some time ago the Standing Finance Committee recommended a special inquiry by a sub-committee into the basis of P.V.D. costings and the building standards adopted by the Department. Serious difficulty was encountered in convening meetings of that committee, and ultimately the Standing Finance Committee reached the conclusion that the best course was for the matter to be investigated by the Consulting Engineer to the Development Authority, Colonel Evans. He has produced a most valuable report which will be considered at a meeting of the Standing Finance Committee in the near future.

Police. The increase here is nearly £50,000. It is due in great measure to the absorption in the Police Force of part of the Supplementary Police Force, provision for which was made last year under war expenditure. Briefly, the history is this, that the Police Force was increased substantially in the early days of the war in order to intensify security measures in rural areas, and ever since we have gone on paying for this increase from war votes. I do not feel that anyone will seriously challenge the fact that these Police must be regarded as part of the normal Police establishment, and the Estimates now reflect the real position. As regards the remainder of the Supplementary Police Force, it carries out two functions. In the first place, it provides guards for Service department installations, and the Service departments reimburse us the full cost. Secondly, it

provides a substantial force for the purpose of maintaining law and order in the Northern Province, a task which was largely carried out by the K.A.R. before the war. The future of this part of the Supplementary Police Force will depend to a very great extent on the future military garrison of this country which, as I have said, has not been decided. Consequently, we are retaining this Supplementary Police Force, but we would not be justified in classing it except under war expenditure in present circumstances.

A committee has recently gone into the question of Police terms of service and its report reached us a week or two ago. If the recommendations in that report are accepted, additional expenditure of the order of £20,000 will be involved. We have not yet had an opportunity of going into these proposals in close detail, but, as Your Excellency said yesterday, the Government regards it as of first importance that early decisions should be reached and promulgated. We hope, therefore, to be in a position to put concrete proposals to the Standing Finance Committee when they come to examination of the Police Estimates. I must point out that that means more money.

Public debt. Here the position is brighter, for we have at long last got rid of our most onerous loan, the 1921 6 per cent loan, and I hope we shall be able to get rid of our other onerous old loans as and when they fall due for redemption.

Passages. Here again, hon. members will note a considerable increase, partly because, despite the efforts of my hon. friend the Member for Mombasa, shipping fares have gone up, partly because we have to use air transport to an increasing extent on public grounds, and partly because the shortage of staff has necessitated curtailing leave to three months, with the result that we are getting more people away each year than normally. There is no reason to believe that the passage vote will always have to remain at its present level, but it would not be prudent to budget for less next year.

Pensions. This is alarming, an increase of nearly £50,000. There is an abnormal element, it is true, because we are going

(Mr. Troughton) through a stage where a lot of people who have been kept on during the war have been allowed to retire. We have embarked on contributory pensions schemes for Europeans and Africans, and hope it will not be long before we can embark on a contributory pensions fund for Asians, but I should hesitate to say that we have come anywhere near the stage where equilibrium has been reached in respect of our pension commitments. Prophecies have been made in the past which have been proved utterly wrong, and I am very reluctant to attempt to prophesy about this vote.

Famine relief, £80,000. Last year I explained the position in regard to famine relief in the Machakos district, and we can see no escape from the provision of foodstuffs in that area at a price involving a subsidy on the part of the general taxpayer. As to what the position may be in other areas, my hon. friend the Member for Agriculture is in a better position to give an opinion than I, but I should warn the Council that it is probable that we may have to contemplate the importation of grain during 1947 with the heavy financial obligations which that would involve. No provision for this has been made in the Draft Estimates except in so far as we have provided a round sum of £100,000 to finance possible reductions in the cost of foodstuffs.

Locusts, £75,000. Unfortunately, sir, there seems to be every likelihood that we shall have to undertake another locust campaign next year, though we must hope for the best, and I think we should pay tribute to the work of the East African Anti-Locust Directorate during the past few years. We have had invasions of locusts both in the British East African territories and in the occupied territories to the north, but the fact that damage to the crops has been relatively small is a tribute to the work organized by the Directorate. And the Directorate is a body of which the chairman and guiding spirit is the hon. Director of Agriculture of Kenya, (Applause.)

Now a word about the central administration of the Government, Sir Wilfrid Woods in his report drew a distinction between the effect of expenditure on Government policy and the effect of economies in the carrying out of that

policy. In so far as economy in method is concerned, the Standing Finance Committee a year ago recommended that an investigation should be made as to the extent to which staff in Government departments was in excess of genuine requirements. A committee of investigation under the chairmanship of the President of the Association of Chambers of Commerce, Mr. Don Small, is at present engaged in that task. But, so far as the central administration is concerned, I am satisfied after personal day to day contact with it over a period of years that not only is there very little room for economy but that additional staff is really required, because most of the senior officers and many of the clerks have to work long hours overtime and bear an extremely heavy burden in order to get through their daily tasks.

Another aspect of the Administration engaging the attention of the Government is the method of dealing with staff matters generally. The Government has come to the conclusion, and the Standing Finance Committee has agreed, that a new post of Director of Establishments should be created in the Secretariat. The Government has been fortunate enough to secure the services of Mr. C. H. Hartwell, a senior officer in the service of the Ceylon Government with wide experience, for this post. He may be remembered in this Colony, because he came here eleven years ago as secretary to Sir Alan Pim. He will take up his duties shortly. The effect of this appointment will not in any way alter the present responsibility of the Chief Secretary and the Financial Secretary for staff matters, but it will enable the Administrative Secretary and the Deputy Financial Secretary to be relieved of their duties in regard to establishment matters which at present make very heavy demands on their time.

Now, sir, I turn to the revenue side, and first of all I would like to make one or two general points.

As I said earlier, in dealing with this budget—our first post-war budget—we would in fact be deciding the policy in relation to post-war taxation, and Government policy in regard to taxation must be regulated with the object of keeping the level of taxation as stable as possible. Next, the legislation imposing war-time taxation measures comes

(Mr. Troughton) to an end, on 31st December this year. That is recognized, on all sides, and consequently the Government has considered the whole revenue position afresh in the light of the debate in this Council last month and in the light of our commitments and our needs. But apart from our commitments and our needs, there is an important factor which must be taken into account; it is not new. It is this. We are in receipt of substantial and generous assistance from the British taxpayers through the Colonial Development and Welfare Vote. The British taxpayer is meeting a very, very heavy burden of taxation, part of it in order to meet this expenditure to help us. The British taxpayer can in these circumstances reasonably ask that we in turn, in consideration of this assistance, should tax ourselves to at least a comparable extent in order that we might make our contribution towards the development programme. And it will be perfectly proper, in my submission, for the British taxpayer to require a high level of colonial taxation as a condition precedent to the granting of assistance under the Colonial Development and Welfare Act. In any event, I do not believe any member of this Council would seriously contend that we should not pay our full share.

First, native taxation. I expressed the view a year ago and again last month, that I thought the more well-to-do Africans should make a greater contribution to the revenue, and I should like to speak in more detail on the subject. The Government has had before it proposals for a graduated poll tax on Africans which, on the face of it, would be fully justified, because there are obvious gradations of wealth. But certain considerations have to be borne in mind. In the first place, in a great many African tribes the gradations of wealth, except possibly for a few individuals here and there, are so small that any sensible gradation of tax would probably cost more to collect than it would yield. Again, a gradation of tax must work both ways; and if the well-to-do are to pay more then the less well-to-do should pay proportionately less, as in fact, in a very rough and ready manner they do under the exemption clause of the Poll Tax Ordinance.

Up to a point, the poll tax which is paid by backward natives must be assessed arbitrarily. In such communities currency is only required for certain quite limited purposes: first for tax; then for clothes; then for *jembes*; then for simple requirements. Hon. members of this Council, I suggest, have become accustomed to a state of society in which everyone begins by receiving money—some more than others!—and then converts that money into goods or stocks and shares, and we are apt to get a confused picture of the life of the African peasant who may well, with the aid of his family, build his own hut, weave his own sleeping mat and grow his own food. It is very rarely that there is in such a society a yardstick by which taxable capacity can be measured. Whatever the amount is, the taxpayer in fact adds it to the amount he requires for his other purposes, and then he sets to work either by the sale of his produce or by employment to secure the amount of currency that he needs. It is, therefore, relatively easy to raise or to lower a flat rate of tax in the light of the degree of agricultural productivity of an area or of the amount which an able-bodied man may reasonably be expected to earn and to pay his share of the revenue. That, I suggest, is the only method of assessment of direct African taxation on Government account which is really practicable on any wide scale to-day.

It may be said that assessment and collection of graduated taxes have been found practicable in Northern Nigeria. There is plenty of information on this subject in Lord Hailey's *African Survey*. But I would make the point first of all, that the graduated tax in Northern Nigeria is a continuation of the Mohammedan tithe which I understand was collected by the emirs for centuries before British occupation; secondly, I understand that the standard of living there, is considerably higher than the normal here, and that the Africans themselves have had organized central governments for many generations. Here, there is no native government in the Nigerian sense of the term, no old established system of graduated taxation which can be adapted to present needs and a totally different state of society.

(Mr. Troughton)

I have no doubt it is the case that some Africans in this country are making incomes on which income tax should be paid and the Acting Commissioner dealt with the matter during the debate on Sir Wilfrid Woods' report last month, when he pointed out that those liable to tax are taking serious risks in not notifying their liability and that steps would be taken to find out who they are and bring their obligations to their notice, that the number will obviously be very limited in view of the personal allowance for which taxpayers are eligible. The remainder of Africans are very difficult, for the reasons I have explained, to classify for taxation purposes in different grades, and I do not think that any graduation system could be made effective except by the appointment of a staff of British officers at a prohibitive cost. That means that no such system could really work except with the collaboration and general willingness of the people.

That leads to the conclusion that, apart from our recognized income tax, the only practical system of direct taxation is a flat rate of poll tax payable to the Government in present circumstances. Perhaps there is scope for graduation—I think there is—in the levying of the Local Native Council rates, because the people are willing, and even anxious, to tax themselves for such local purposes as the provision of education facilities. It might be possible for a graduated rate to be adopted by a Local Native Council, and for this purpose a close study would have to be made in selected Local Native Council areas with the knowledge and active support of the Local Native Council, and I shall ask my hon. friend the Chief Native Commissioner to pursue the matter on those lines. But, so far as the Government is concerned, in present circumstances we feel that the only possible form of direct taxation is a flat rate of poll tax direct income tax where it applies, though the rate of poll tax applicable to particular areas must and will receive most careful consideration in the light of the agricultural productivity of each area.

I will turn to the indirect taxation of the African. It is, of course, true that the African makes a substantial contribution to indirect revenue as it is, and

it is also true that we have got no statistics on which we can form an estimate of the total amount. But it may be of interest to know that my hon. friend the Acting Commissioner of Customs asked four of the senior members of his staff to form an independent estimate of the amount actually paid by Africans to customs and excise revenue in 1945. Each of these officers investigated the customs returns in detail, and their conclusions, arrived at independently, displayed striking unanimity. The conclusion they reached was that of the revenue from customs and excise duties in 1945 round about £800,000 was contributed by the African. If we accept this conclusion—personally, I think it is a conservative estimate—it is a matter of simple arithmetic to establish the fact that in 1945 approximately one-third of the colony's total revenue from taxation represented payments by the African. I do not want to put this forward as an incontrovertible fact. I put it forward with all reserve as an expression of opinion because it cannot be substantiated by statistics but, nevertheless, it is an expression of opinion by those with the most intimate knowledge of the subject. In addition, the African, of course, does pay substantially by way of Local Native Council rates, and I hope that it will not be long before Asians in urban areas are making a greater contribution towards the cost of the social welfare services developed by progressive authorities.

Before I leave the subject of African taxation, I must point out that the proposals of the Development Committee in regard to education would place a very heavy additional burden on the African parent, and if the African parent was unable to pay that burden would be passed on to the local authorities and thus on to the African community generally.

Now, sir, for other aspects of the revenue.

We have put the estimated revenue from customs duties next year at £1,950,000, which compares with £1,550,000 odd this year, and the revised figure for this year of £2,000,000. I contend that this estimate is conservative, though I have no doubt my hon. friend the Member for Mombasa will, as usual, take a different view.

(Mr. Troughton)

About the customs tariff. Sir Wilfrid Woods in his report recommended that the surcharges, the war-time surcharges, on a number of commodities should be removed but not while those commodities were in short supply. It could justly be argued that none of the commodities to which he referred are in free supply to-day, and therefore a case could be made out for the retention of the customs surcharges in full. The Government has, however, examined the matter, and has reached the conclusion that a number of surcharges should be removed. The particular surcharges which it is proposed to remove are chiefly those on building materials, including cement. Admittedly some of these are in short supply, but the Government feels that the shortage of houses at the present time for all races is so grave that every encouragement must be given to the building industry and that the cost of building must be kept down as far as we can reasonably keep it down. For that reason, the surcharges on all building materials and on cement will be removed as from this morning by an order passed by Your Excellency in Executive Council. Similar action is being taken in the other territories of Uganda and Tanganyika, and reductions in those surcharges in those territories come into force to-day. The particular surcharges I have in mind are on builders' requisites, bolts, nuts, locks, mechanics and artisans' tools, pick axes, crowbars, kerals, piping, asbestos, glass, and cement.

In addition, I should like to refer to domestic crockery. The East African territories have suffered badly through difficulty in procuring domestic crockery during the war, and many households badly need to renew their supplies. Exports of domestic crockery from the United Kingdom are improving, and in the circumstances the Government has thought it desirable to remove the surcharge. Finally, toys and games. Here, again, the children of this country have suffered from the inability to procure toys and games during the war period, and they are now coming into freer supply. This is in addition to the materials I have already mentioned. Surcharges on crockery and toys and games will come off in all the East African territories as from this morning.

It is difficult to estimate with any accuracy the cost to the revenue of these concessions. It will depend on the extent to which importation is possible next year, but I do not think it should exceed £20,000 at a maximum.

For the rest, it is proposed that the other surcharges should be incorporated in the main tariff and that the surcharges on beer, wines, spirits, vermouth, tobacco, cigarettes, snuff, motor spirit and oil should all form part of the permanent tariff. Sir Wilfrid Woods recommended that the surcharges on other items should be removed as and when the goods affected become in free supply. These surcharges it is proposed to incorporate in the main tariff for the time being, but I can give an undertaking that the East African Governments have undertaken to examine each of them with a view to removal as and when the goods affected become in free supply, and appropriate amendments to the Customs Tariff will be moved from time to time. In so far as the removal of the surcharges which I have already mentioned is concerned, there is no point in removing the surcharge on a particular article unless that relief is going to be passed on to the consumer, and I have given instructions to the Price Controller to ensure that relief in respect of the various surcharges removed to-day should be reflected in full in the fixation of the controlled prices for the articles in question.

For the rest, I do not think that it can be seriously contended that the rates of customs duty now in force on what might be called the luxury items in the tariff, particularly spirits and tobacco, are unduly onerous, particularly in view of our great need for revenue in connexion with the development programme, and if any person considers that these duties are onerous, it is very easy—it may not be so easy—for him to pass legislation in his own mind reducing those surcharges to nothing (laughter), because all he has to do is to make and to keep a resolution to give up smoking or drinking, and immediately his contribution to the revenue disappears!

Excise. It is not proposed to alter the duty on tobacco. So far as beer is concerned, Sir Wilfrid Woods recommended that the present duty should be increased to Sh. 120 for every 36 gallons of wort

[Mr. Troughton] produced to the standard specification. I have no wish to worry hon. members with technicalities, but putting that in plain English, on the basis of the specific gravity to which the beer is brewed at present, it works out at an increase of about six or seven cents a bottle. If the specific gravity of the beer goes up, as we all hope it will, then it will mean slightly more in the way of duty; but if the specific gravity goes down, which heaven forbid, then it will be slightly less. The Governments of East Africa have decided to accept Sir Wilfrid's recommendation, and consequently the excise duty on beer will be increased in all the East African territories as from the 1st January, 1947. This should mean, in respect of Kenya, additional revenue of the order of £18,000 a year. I am glad to be able to say that I have been in communication with the two Kenya breweries on this matter, and they have undertaken to bear the increase in the duty themselves, so that there will be no increase in the price of beer to the consumer. (Applause.) The East African Governments greatly appreciate this action by the brewing industry.

I now turn to sugar. Sir Wilfrid Woods recommended an increase in the excise duty of two cents a pound, calculated to bring in revenue of the order of £60,000 a year. In addition to this we have the sugar consumption tax of one cent a pound which is estimated to bring in revenue of £30,000. Thus we might reasonably expect abnormal revenue amounting to £90,000 from sugar next year. The Government has decided to relinquish for the time being the whole of this £90,000. The excise duty on sugar will remain unchanged, and the sugar consumption tax at the rate of one cent per pound will, I hope, be removed with effect from 15-day. After this motion has been introduced, I shall seek the leave of the Council to introduce the necessary Bill and to pass it through all its stages. The retail price of sugar should therefore drop by one cent per pound, and the Price Controller has been requested to ensure that this takes place with effect from 15-day. The reasons for Government's decisions in regard to sugar are briefly these. In the first place, sugar is a valuable, nutritive food and, although consumption must necessarily be re-

stricted owing to the world shortage, it is desirable to keep the price down. Secondly, Sir Wilfrid Woods had clearly in mind the increase in the revenue for sugar as compensating the revenue for the reduction which would be brought about by the abolition of the customs surcharges on a large number of items. The Governments of East Africa have decided to retain the surcharges on a number of these items, and consequently would hardly be justified in increasing the price of sugar on purely revenue grounds.

Finally, in regard to sugar consumption tax. The main object of the sugar consumption tax was to provide funds wherewith to pay a subsidy to sugar producers. At the time that subsidy was necessary because the prevailing price of Uganda sugar was not sufficient to cover, or only about sufficient to cover, the cost of production in Kenya. Since then the Uganda price of sugar has risen. Consequently the need for subsidies to sugar producers in the future has disappeared. Therefore, the reason for the tax no longer exists and that is why we propose to repeal it. Taking all these factors into consideration, we estimate the total revenue from customs and excise next year at £2,600,000 odd.

Finally, I should mention tea. Sir Wilfrid Woods recommended an increase of five cents a pound in the excise duty on tea. The East African Governments have decided not to accept this recommendation at present, but it will come under review next year, as well as the proposed increase in the excise on sugar.

Before turning to other taxation matters, I propose to say a word on the subject of these changes in indirect taxation in the light of the Government's undertaking that war-time taxation would come to an end at the end of 1946 and that the Legislative Council would then be free to decide future taxation policy. That pledge has been strictly kept. The only action which we are taking to-day is to remove the surcharges on a number of customs items and to remove the sugar consumption tax, all of them measures of relief from taxation. At the same time, I am announcing the Government's intention of proposing for next year a customs and excise tariff based on the present rates, apart from the reductions which I have already men-

[Mr. Troughton] lioned and apart from the increase in the duty on beer, which will not come into operation until the beginning of the year.

Next I would turn to estate duty. It has frequently been argued in this Council, with perhaps more eloquence than reason, that every opportunity should be taken to abolish estate duty. With this the Government cannot agree. The change of ownership of wealth on death is now widely recognized as an appropriate occasion for a levy by the State, and the argument or the arguments that such a levy dissipates capital or that its repeal would attract capital are arguments which have never been substantiated, and in any case they might be applied to income tax equally. It is proposed, therefore, to retain estate duty. Nevertheless there is no doubt that the death of a bread-winner causes serious hardship in small households, and there is no doubt that on small estates the present duty, though it is small, is a hardship. Sir Wilfrid Woods recognized this and recommended that estates under £500 should be exempt from duty. The Government propose to go further, and exempt estates of under £1,000. The necessary legislation will be introduced during the present session, and the exemption will come into force with effect from the beginning of the year. I should perhaps say a word about the cost. It is not possible to give any firm estimate of the cost, because it depends upon the number of people who happen to die during any one year, but, on the basis of the actual estates dealt with during the past three years, the cost to the revenue would be nominal—a matter of about £500 a year. But although the cost is small, the principle of relief is important.

Income tax. Most of the discussion during the debate on Sir Wilfrid Woods' report centred round this particular measure of taxation and the future of income tax is a matter to which the Government, in consultation with the other East African Governments, has devoted much anxious thought. Various factors enter into the position. In the first place, the Government has undertaken to introduce far-reaching legislation governing allowances in respect of capital expenditure, and our proposals have

already been published. The necessary legislation to give effect to them in the light of the comments and the criticisms received from members of the public will be introduced as soon as possible, but the concession will be effective as from the 1st January, 1946, and will apply to tax collected and assessed in 1946 on 1945-incomes. The total cost of these concessions is very difficult to estimate, but in the view of the Commissioner they will represent a reduction in revenue from taxation of the order of £150,000 a year; that is to say, equivalent to a reduction of 12½ per cent on the estimated revenue from income tax this year. The magnitude of this relief has, in my view, not been properly appreciated, and I must stress that it is substantial, and that its main object is to foster and encourage agriculture and industrial development on which the future of this country so vitally depends.

Turning now to personal income tax, I made the point during the debate on Sir Wilfrid Woods' report that a reduction in the basic rate of tax was not necessarily the best way of providing relief from taxation. That is the opinion of the Government and of all the other East African Governments. Nevertheless we do recognize that in certain cases, notably where heavy expenditure on education is involved, the present rates require review. The Government accordingly propose to introduce legislation which will provide for a substantial increase in children's allowances, linked with expenditure on education. I cannot be more specific at this stage, except to say that the additional allowances will be granted in the 1947 tax assessment on 1946 incomes. I have asked the Commissioner to examine in detail the most appropriate form the allowances should take and to discuss the matter with the Board of Inland Revenue in the United Kingdom, so that our legislation may have the full benefit of the experience of the Board. He has done so, but the East African Governments have not yet had an opportunity of examining his proposals in detail, though all have accepted the principle of a substantial concession.

The present system of allowances in respect of what I would broadly term insurance premia also requires review. The present limit of £100 free of tax is not really satisfactory and the whole



[Mr. Troughton]

system must be reviewed. The East African Governments have asked the Commissioner to investigate this matter, too, during his leave in the United Kingdom and to submit detailed proposals. Again, we have not had an opportunity of examining his proposals in detail, but we have all accepted the principle of a review with the object of providing relief where necessary.

Taking into account the depreciation on capital expenditure, allowances to children, educational allowances, and the revision of the insurance allowance, we reckon that the total estimated cost to the revenue will be something of the order of £200,000 in a full year. I feel that it must be agreed that relief to this extent from income tax below the rates of war-time taxation cannot justly be regarded as other than substantial relief to the taxpayer. The Government appreciates that a reduction in the basic rate of income tax requires serious consideration. Indeed, the fact is that on the basis of the 1944 estimates a reduction of Sh. 1 in the pound throughout on the rate of income tax on resident individuals would mean a shortfall in the revenue of round about £200,000. Thus the taxation relief in respect of income tax to which I have referred this morning would have substantially the same effect on the revenue as taking Sh. 1 in the pound off every person's tax while leaving the various allowances the same.

It would have been much simpler for the Government to take a flat Sh. 1 in the pound off income tax for resident individuals. Political capital could have been made—and I mean political capital by the Government—because a reduction of Sh. 1 in the rate of income tax is something that everyone can understand, something quite simple, whereas allowances for depreciation of capital expenditure form a complicated subject which no one, not even the Press, takes the trouble to understand until he finds that it affects him personally! Yet I contend that the method which the Government has proposed is a far sounder method of giving relief. In the first place, it is calculated to foster agricultural and industrial development by providing encouragement to the incurring of capital expenditure on permanent improvements by private individuals and

companies. Again, we have provided relief from the burden of income tax to those people who are meeting heavy expenditure on children's education, and on making provision for the future. It is all a question of the way of doing it, and I feel that the Government's proposals will give relief both to those who need it most and to those whose enterprise should be encouraged in the public interest of the country.

Thus, Sir, to summarize the revenue position. Surcharge on building materials, crockery, toys and games, removed; excise duty on beer increased by round about six cents a bottle; estates under £1,000 exempt from estate duty; income tax concessions something of the order of £200,000; for the rest, there are the other taxes—personal tax, traders' licences, petrol consumption tax, and so on—the Government proposes to introduce legislation to make them part of the fiscal structure of the country.

This represents Government's taxation policy. What is the effect on the budget? Hon. members will see that the Draft Estimates now on the table show a deficit of £48,000. In the normal way, I do not think that the Government would be justified in budgeting for a deficit at a time of prosperity, at a time when purchasing power is high and revenue buoyant, when prices of primary products are good. But there is an abnormal feature about these estimates, and that is; they include a net amount of round about half a million for war expenditure. This is expenditure resulting directly from the war, which we do not consider will all be permanent in character, though we may pay that for a year or two.

Although I have been talking for a long time, I feel that I must say a few words about this war expenditure, or one or two of the items of it. In the first place, there is expenditure on demobilization, reabsorption and training of ex-service men, and the most expensive and perhaps the most important is training. This Council has never hesitated to say that there is a clear obligation on the Government to endeavour to train Africans from the army so that they can make full use of their army training and play a full part in civil life, and if any hon. member should be in any doubt as to the wisdom of this expenditure I suggest he should pay a visit to the B and

[Mr. Troughton]

C training centres at Kabete and see for himself exactly what is taking place there. The Director of Training will be very glad to show him everything there is to be seen. This demobilization and training is estimated to cost not far short of £200,000. At present discussions regarding the incidence of this expenditure are taking place, and I hope that in the event we will get some assistance from His Majesty's Government towards demobilization expenditure, but no provision for such assistance has been taken into account in framing these estimates.

The second important item of war expenditure—and here I am afraid I speak with some trepidation—is controls. Taking the Imports Control Office, the Price Control, the Supply Board, the Commodity Distribution Board, and so on, the total cost allowed is round about £108,000. A committee has been appointed to keep a fatherly eye over these controls with the object of ensuring that they are eliminated as soon as it is practicable and feasible to do so.

Imports Control. It is unfortunately not possible to eliminate the Imports Control in present circumstances, and anyone who says the Imports Control should be removed does not know what he is talking about. This is a matter on which we must act in accordance with the guidance and instructions we receive from His Majesty's Government, and it is absolutely necessary to maintain control of imports at the moment in view of our limited reserves of foreign currency, though the measure of imports control is being progressively reduced at every opportunity we can get. Secondly, a very important function of the Imports Control is to take care of the distribution within the Colony of various goods which are in short supply, notably cotton piece goods, and the way this works in broad outline is this, that when a shipment arrives it is frozen by the Imports Controller. That means that the importer cannot sell it except in accordance with the directions of the Controller. The Controller then takes steps to ensure that the shipment is distributed fairly throughout the Colony and that a fair share goes to Uganda. If no such action were taken, what would happen is that the whole of the shipment would gravitate to Nairobi and Mombasa; up-

country districts would get nothing, and labour problems, bad enough as they are in all conscience, would be more difficult still. There is no truth in the statement that the Government is maintaining Imports Control in order to restrict trade. As the member responsible for it, nothing would please me more personally than to get shot of the thing once and for all! but it is not possible.

Price Control. I have in the past expressed the view that this Council is under a deep debt of gratitude to the Price Controller for the work which he has done in keeping the cost of living pegged at a reasonably low level, a fairly reasonable level, during the past few years. I should like to stress that even more forcibly to-day, because during last year I have passed through the Middle East and have spent some time in the United Kingdom and in Ireland, and the impression that I had is that in this country we have been singularly fortunate. I do not feel that price control should be done away with until goods are in freer and permanent supply. This is not a matter in which Government is acting without advice. Price control is kept closely under review by the Committee on controls generally, and in turn the Price Controller himself and myself as Member are advised in regard to the details of price control policy by a committee consisting of representatives of traders and consumers. All of their recommendations have been unanimous.

The consumer representatives consist of representatives of the Civil Service Association and of the East Africa Women's League, and I have to-day had a letter from the Women's League which has urged on the Government the necessity that price control should remain until importers are able to obtain all the quantities of goods they desire for without any delay or cutting down of indents. I can assure them that it is the policy of the Government to retain Price Control until goods are in free and permanent supply. We have endeavoured to enlist the help of the Nairobi Chamber of Commerce in this matter, because that Chamber, divided as it is into about 20 sections representing various trades, is eminently qualified to advise as to when goods are in free supply, and we have asked the Chamber that, when they consider any goods are in free and per-



[Mr. Troughon] mament, supply, they will put forward their recommendations with supporting evidence for the consideration of the advisory committee. So far, we have had no recommendations, but I have no doubt that we can count on the active assistance of the Chamber.

Commodity Distribution. We reduced the estimates last year drastically from £75,000 to £50,000, and I am afraid I can offer no further reduction in present circumstances. We had hoped a year ago to do away with the coupon rationing of wheat and bread, but unfortunately we found that consumption went up and it had to be reimposed, and it is only through this coupon rationing that we have been able to get through the present year without starvation, for we have had to use the wheat crop to eke out the maize crop.

Petrol rationing. It is unfortunately not possible to abolish restrictions on the use of petrol because of the necessity for conserving foreign exchange. Now, it might perhaps be answered that the motor spirit consumed in this country comes from the Persian Gulf and therefore may not involve any payment in foreign currency. To that the answer is that the sterling area, taken as a whole, is not self-sufficient in regard to motor spirit and importation from foreign sources is necessary. Therefore, the more petrol from the Persian Gulf that is used by this country the more has to be imported from foreign sources far use elsewhere in the Empire. The Government realizes, however, that the present system of petrol rationing by coupon is expensive and perhaps unnecessary in present circumstances. We have therefore decided as an experiment to embark on a new system of restricting the use of petrol. The coupon system will cease as from the end of this month, and instead the consumption of petrol will be controlled administratively by the oil companies, working in consultation with the Government. The effect of this change in the method of rationing remains to be seen.

In the first place it will be necessary to ensure that there is no increase in our imports. It will therefore be necessary for the public to exercise the same strict economy in the use of petrol as they have been compelled by the coupon

system to exercise up to now. In the second place, there is an acute shortage of drums and tins, and that shortage is likely to continue. Thirdly, severe restrictions will therefore have to be imposed on the oil companies on the purchase of petrol in drums and in tins, and in particular retailers will be requested to restrict sales on packed petrol in all cases to something approximating the present level. I sincerely hope that this change in the method of petrol rationing, with the co-operation and goodwill of the public, will enable us to do away with the coupon system for good and all.

When I first spoke on this war expenditure I pointed out that it was only by reason of this abnormal feature of our budget that the Government was justified in budgeting for a deficit. The really important thing is that our permanent commitments should be well within our report, and hon. members will see from the table on page 7 that, if we exclude this war expenditure, there is a surplus of £400,000 odd. This, it might be argued, would justify a further reduction in taxation, but I wish to make it quite clear that this apparent surplus is quite abnormal and in no way permanent and recurrent. The fact is that, for reasons already explained, customs revenue is abnormally buoyant, and when the effect of the decrease in spending power is felt and when people have renewed their stocks and households have replenished their shortages, then we must expect a shortfall, a reduction in customs revenue. Again, some of the expenditure, such as that on training, may to some extent become permanent. For these reasons, the Government and the other East African Governments, consider that it would be unsound to contemplate any further reduction in taxation, beyond that announced this morning.

Now, what stands out in all this? We have a development programme which will cost money. We realize that the development programme must be undertaken, because, as I have said before, the only alternative to development is not stagnation but retrogression. That programme will mean heavy sacrifices by the peoples of this country, perhaps not as heavy as they have had to make during the war years, but nevertheless so heavy that no considerable reduction

[Mr. Troughon] in taxation is possible, though I hope that members of Council will agree that the reductions to which I have referred this morning are not considerable. Expenditure will be heavy. Our future commitments will increase, but let us hope that with increasing commitments we will have increasing prosperity and that the national income will rise, so that the burdens of taxation may become progressively spread over a wider field. I feel that the time has come when, the war over, and the development programme in process of taking shape, the Colony can now begin to march forward to a period of peace and increasing prosperity. (Applause.)

MR. FOSTER SUTTON seconded.

The debate was adjourned.

Standing Rules and Orders were resumed.

#### SUSPENSION OF STANDING RULES AND ORDERS

MR. TROUGHTON: Your Excellency, I beg to move: That Standing Rules and Orders be suspended to enable the War Taxation (Sugar Consumption Tax) (Repeal) Bill to be taken through all its stages to-day without due notice.

MR. FOSTER SUTTON seconded.

The question was put and carried. Standing Rules and Orders were suspended.

#### WAR TAXATION (SUGAR CONSUMPTION TAX) (REPEAL) BILL

##### FIRST READING

On motion of Mr. Troughon the War Taxation (Sugar Consumption Tax) (Repeal) Bill was read a first time.

##### SECOND READING

MR. TROUGHTON: Your Excellency, I beg to move: that the Bill be read a second time.

I have already, in speaking to the motion regarding the Draft Estimates this morning, explained the position regarding this tax, and I do not think there is any need for me to repeat it now.

MR. FOSTER SUTTON seconded.

The question was put and carried.

##### IN COMMITTEE

MR. TROUGHTON moved that Council do resolve itself into committee of the whole Council to consider the Bill clause by clause.

MR. FOSTER SUTTON seconded.

The question was put and carried.

Council went into committee.

The Bill was considered clause by clause.

MR. FOSTER SUTTON moved that the Bill be reported without amendment.

Council resumed, and His Excellency reported accordingly.

##### THIRD READING

MR. TROUGHTON moved that the Bill be read the third time and passed.

MR. FOSTER SUTTON seconded.

The question was put and carried, and the Bill read accordingly and passed.

##### ADJOURNMENT

Council adjourned till 10 a.m. on Tuesday, 12th November, 1946.

**Tuesday, 12th November, 1946**  
Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 12th November, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### ADMINISTRATION OF OATH

The Oath of Allegiance was administered to J. C. Mundy, Esq., Commissioner of Inland Revenue.

#### MINUTES

The minutes of the meeting of Wednesday, 23rd October, 1946, were confirmed.

#### PAPERS LAID

The following papers were laid on the table:—

By Mr. FOSTER SUTTON:

Select Committee report on the Hospital Services (European Bill).

By Mr. MARCHANT:

Statement showing the information asked for in Question No. 54 by the Hon. Member for African Interests (Archdeacon Beecher).

By Mr. LINDSAY:

The Vehicles Licensing (Amendment) Regulations, 1946, made under the Transport Licensing Ordinance, 1937, and copy of agreement made between the East African Airways Corporation and the British Overseas Airways Corporation referred to in paragraph 1 of the reply to Question No. 60 asked by the hon. Member for Ukamba.

#### ORAL ANSWERS TO QUESTIONS

##### No. 54—NATIVE TRUST FUND

ARCHDEACON BEECHER:

Will Government please state what betterment schemes have been financed from the Native Betterment Fund during 1946 and publish a statement of revenue and expenditure as soon as possible?

Mr. MARCHANT: The information asked for by the Hon. Member for African Interests (Archdeacon Beecher) in Question No. 54 was laid on the table this morning.

Statement showing information asked for in Question No. 54 by the hon. Member for African Interests (Archdeacon Beecher):—

It is assumed that by Native Betterment Fund the hon. member means the Native Trust Fund.

In addition to the recurrent cost of all Native Tribunals in non-native areas, which are financed from the Native Trust Fund, but in respect of which revenue normally exceeds expenditure, the following projects have so far been approved by the trustees for assistance from the Fund:—

##### Coast Province.

Recurrent.—Gedi Settlement, Sh. 26,615; grant towards elementary education in townships, Sh. 5,000; Kilifi District Education Board, Sh. 2,058; Agricultural Instructors at Witu, Sh. 1,686; uniforms, Sh. 400.

Extraordinary.—Lamu water supplies, Sh. 10,000; well at Maunguja, Sh. 1,500; Nursery School for African Housing Estate, Mombasa, Sh. 15,000.

##### Nyanza Province.

Recurrent.—Grants towards elementary education in townships, Sh. 7,950; funds are being accumulated for the purpose of building at Kisumu a native stadium at an estimated cost of approximately Sh. 96,000.

##### Central Province.

Grants towards elementary education in townships, Sh. 27,400; construction of Beer Hall, Nanyuki, Sh. 25,000; grant towards capital cost of Dispensary, Ruiru, Sh. 4,000.

##### Rift Valley Province.

Grant towards capital cost of Native Tribunal Hall at Nakuru, Sh. 16,000; grant towards capital cost of Native Hospital at Moi, Sh. 6,000; grant towards capital cost of Native Hospital at Eldama Ravine, Sh. 6,000; grant towards capital cost of Native Dispensary and Clinic at Gilgil, Sh. 4,000; grant towards capital cost of maternity block at Native Civil Hospital, Eldoret, Sh. 20,744; grants towards elementary education in townships, Sh. 12,700; grant towards capital cost of African Welfare Centre at Dundori, Sh. 5,000; rest house for blind, witnesses, etc., at Molo, Sh. 1,000.

#### Northern Frontier District.

Improvement of. Eil Wak Wells, Sh. 10,000.

As regards Masai and Turkana, the Trustees decided to allow funds to accumulate in these sub-accounts during 1946.

A full statement of revenue and expenditure for 1945 will be published in the Official Gazette in the near future; such statements are published annually.

#### No. 68—EDUCATION EXPENDITURE ADVISORY COMMITTEE

Mr. PRITAM:

Arising out of Government's answer to Question No. 7, will Government please state if the committee envisaged in paragraph 2 has since been formed and, if so, what stage their conclusions have so far reached?

Mr. TROUGHTON: I would invite the hon. member's attention to the statement in my speech introducing the budget on October 23rd.

#### No. 69—INDIAN SCHOOL HOSTELS

Mr. PRITAM:

Having regard to the fact that the non-provision of hostel facilities at important centres is adversely affecting the higher education of Indian boys, will Government please state what steps it proposes to take with a view to remedying the present serious position?

Mr. TROUGHTON: The Government agrees that the provision of hostels at one or more of the Indian Secondary Schools would be desirable, but considers that the new schools, which are urgently required, have a prior claim on the funds available for the construction of educational buildings. It is unlikely, therefore, that sufficient funds will be available for the establishment of hostels.

2. The Government endorses the suggestion made by the Education Subcommittee of the Development Committee that the Indian community should be invited to arrange for the construction and maintenance of such hostels privately on a self-supporting basis.

#### No. 70—REGISTRATION OF BIRTHS.

Mr. PRITAM:

Will Government please state the number of applications for registration of births out of time duly supported by an affidavit from a parent that have been rejected by the Registrar General, and the reasons therefor, stating the number of applications from Europeans and Indians separately?

(b) Will Government further state the nature of inquiries that the Registrar General instituted before rejecting applications, and in how many cases did he find particulars contained in the applications for registration to be wrong, and what action did he take against such parents who swore wrong affidavits?

(c) Is Government aware that the poorer section of the Indian community cannot afford the luxury of employing a doctor or midwife at maternity time. Will Government state the precise method that should be employed in such cases to register births out of time if the present method in vogue in all the East African territories is unacceptable to the Kenya Registrar General?

(d) Further, will Government give an assurance that the notice appearing in the K.I.O. Fortnightly Bulletin in No. 64 of 7th October will not affect such applications as have been rejected by the Registrar General arbitrarily?

Mr. FOSTER SUTTON: (a) Between the 1st January, 1945, and the 30th June, 1946, one application by a European and 109 applications by Indians were not accepted. In each case the reason for non-acceptance was that the application was not accompanied by confirmatory evidence; such applications are not rejected, but no action is taken on them pending production of the necessary evidence.

(b) It is the practice to require affidavits to be accompanied by confirmatory evidence, such as doctors' or midwives' certificates, horoscopes, maternity home certificates, extracts from Temple records, extracts from diaries. Inquiries are not made into statements contained in affidavits for the reason that such a procedure is impracticable; it is not,

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(b) It is the practice to require affidavits to be accompanied by confirmatory evidence, such as doctors' or midwives' certificates, horoscopes, maternity home certificates, extracts from Temple records, extracts from diaries. Inquiries are not made into statements contained in affidavits for the reason that such a procedure is impracticable; it is not,

[Mr. Foster Sutton] therefore, possible to state how many affidavits contained incorrect statements, and no action has been taken against any deponents.

(c) Government is aware that the poorer sections of the Indian community cannot afford to employ a doctor or a midwife. Alternative confirmatory evidence, such as that referred to in the reply to the first part of paragraph (b) of the question, should be produced.

(d) Government is of the opinion that the confirmatory evidence required by the Registrar General is reasonable and proper and it cannot, therefore, agree that he has acted arbitrarily in dealing with applications for registration. The notice referred to will not affect applications pending on the 31st December, 1946.

**NO. 72—FOUNDATION STOCK SCHEME  
MAJOR JOYCE:**

Referring to the last sentence of oral answer given to Question No. 22 about the Foundation Stock Scheme, does Government not consider that finance for this scheme should be provided from D.A.R.A. funds rather than from Live Stock Control profits, which have accrued almost entirely from the purchase and sale of native owned live stock?

**MAJOR CAVENDISH-BENTINCK:** The prices fixed by the Live Stock Control for the huffers to be bought by the European Settlement Board is designed to cover not only the actual cost of the huffers but also the capital and recurrent expenditure incurred by the Control. There is every intention, therefore, that the Live Stock Control should be fully reimbursed from D.A.R.A. funds held by the European Settlement Board.

**NO. 73—APPOINTMENTS ON OVERSEAS  
TERMS**

**Mrs. WATKINS:**

Will Government please state which appointments on overseas terms carry the salary scale of £600 by £30 to £720 and £40 to £1,000, and which of these appointments and posts necessitate a five-year wait at £840 before proceeding by further increments to £1,000?

**Mr. TROUGHTON:** On the assumption that the hon. member is referring to the long scale of £600 x £30—£720 x £30—£840 x £40—£1,000 with or without a pause of one extra year at £600 on probation, the following posts carry that scale: certain posts of medical officer, crown counsel, resident magistrate, veterinary officer, veterinary research officer.

In the case of the last two a five-year wait at £840 is required before the holders can proceed by further increments to £1,000. Their scale originally ended at £840 until this concession was introduced.

**Mrs. WATKINS:** Arising out of that answer, does it not seem rather unfair that the Veterinary Service should be singled out for a five-year wait?

**Mr. TROUGHTON:** A great many posts end at £840, and the five-year wait and proceeding to £1,000 is a concession which the Veterinary Department alone enjoys.

**BILLS**

**FIRST READINGS**

On the motion of Mr. Foster Sutton the following Bills were read a first time: the Increased Production of Crops (Amendment) Bill, the Workmen's Compensation Bill, the Minimum Wage Bill, and the Petroleum Bill, and notice given to move the subsequent readings at a later stage of the session.

**IMMIGRATION (CONTROL) BILL**

**SECOND READING DEFERRED**

The second reading of the Immigration (Control) Bill was by leave deferred to a later stage of the session.

**ADJOURNMENT**

Council adjourned till 10 a.m. on Wednesday, 13th November, 1946.

**Wednesday, 13th November, 1946**

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 13th November, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

**MINUTES**

The minutes of the meeting of 12th November, 1946, were confirmed.

**PAPERS LAID**

The following papers were laid on the table:—

By **Mr. TROUGHTON:**

Schedule of Additional Provision No. 2 of 1946.

By **SIR R. E. ROBINS:**

Second Supplementary Estimates for 1945, 1st Supplementary Estimates for 1946, and Estimates of Revenue and Expenditure for 1947 of the K.U.R. & H.

**NOTICE OF MOTION**

**Mr. COOKE:** Your Excellency, I beg to give notice of the following motion: That any undertaking given before a debate has begun—such as that given on the occasion of the motion on the Woods Report—that the motion will be withdrawn in the event of "considerable opposition" is an infringement of the privileges of this Council and is open to grave abuse, and that Government be requested to give an assurance that the incident referred to shall not form a precedent.

Under Standing Rule and Order No. 13 I think I have a right to ask that the motion should be debated this week.

**INCREASED PRODUCTION OF  
CROPS ORDINANCE, 1942**

**CONTINUATION OF**

**MAJOR CAVENDISH-BENTINCK:** Your Excellency, I beg to move: Be it resolved that the Increased Production of Crops Ordinance, 1942, shall remain in force until the 31st March, 1949.

As hon. members are aware, the 1942 Ordinance—that is the principal Ordinance to which we are referring—

took the place of the Defence Regulations that were devised at the beginning of the war, and the original Ordinance came to an end at the end of 1943. It was enacted to cover the 1942 and 1943 plantings. During the course of 1943 experience showed that a good many amendments were necessary. These amendments were introduced and the Ordinance was then prolonged to the end of 1946; that is, the end of this year. Under section 43 of that amending Ordinance it is provided "that this Ordinance shall continue in force until the 31st day of December, 1946, and shall then expire, provided that the Governor may by proclamation, with the approval of Legislative Council, declare that this Ordinance shall remain in force until a date to be fixed in such proclamation or until repealed". It is in compliance with section 43 that I am moving this resolution.

I think it is unnecessary for me to stress not only the world food position, but the East African food position. It is unnecessary for me to refer to the United Nations Food and Agricultural organization which has recently stressed the food shortages and the duty of every territory or group of territories to make themselves self-supporting. I must particularly lay stress on the fact that East Africa to-day does have to place a very large measure of reliance on the Kenya European crop. The position is such that we must do our best to maintain the Kenya European crop. We must, I fear, continue for certainly ten or two more to control distribution, besides stimulating production. In order to do that we have got to do what we can in the way of guaranteeing stability to farmers over a period of time. We have already given an undertaking with regard to the maize crop for the years 1946, 1947 and 1948 plantings, and that is one of the reasons why we have suggested that this enactment should carry on until March, 1949, because you have to provide a three months overlap in order to deal with the guaranteed minimum returns, advances, and so on. The intention of this prolongation is to cover, as I have already said, the 1947 and 1948 plantings.

I should also perhaps add that at the Annual Conference of Chairmen and Representatives of District Production

## [Major Cavendish-Bentick]

Committee and Sub-committees which took place last year, as is recorded on page 6 of the printed proceedings, the Conference was informed that it was the intention, amongst other things, that the Increased Production of Crops Ordinance in Kenya should be extended to the end of the planting year 1947—that is to the end of March, 1948—and His Excellency the Acting Governor, in opening the Conference, informed it that it had been decided to introduce legislation for the purpose of continuing the Increased Production of Crops Ordinance, due to expire at the end of 1946, until the end of March, 1948. Since then the East African food position has on the whole deteriorated and we have come to the conclusion that it is advisable—in fact, necessary—to ask leave of this Council to declare that this Ordinance should continue until March, 1949.

Mr. TROUGHTON seconded.

The question was put and carried.

### NATIONAL PARKS ORDINANCE, 1945

#### DECLARATION UNDER

MAJOR CAVENDISH-BENTICK: Your Excellency, I wish to move: Be it resolved that this Council approves of the Governor declaring the following area to be a national park, for the purposes of the National Parks Ordinance, 1945: Commencing at the western corner of Embakasi Township Reserve (L.R. No. 2935); thence north-westerly by a straight line to the south western corner of L.R. No. 2729/R; thence on a bearing of approximately 230° 42' for a distance of approximately 6602 feet to a beacon; thence on a bearing of approximately 260° 41' for a distance of approximately 8624 feet to a beacon on the edge of the Nairobi-Mbagathi Road; thence on a bearing of approximately 228° 59' for a distance of approximately 5323 feet to a beacon; thence on a bearing of approximately 313° 11' for a distance of approximately 4846 feet to a beacon on the southern boundary of the Langata Road Reserve (part of which boundary forms the south-eastern boundary of the Ngong Road Forest); thence generally south-westerly by that reserve boundary to a beacon situated at a distance of 200.8 feet and on a

bearing of 101° 21' from the north easterly corner of L.R. No. 2248; thence generally southerly by a series of straight lines parallel to and 200 feet distant from the generally eastern boundaries of L.R. Nos. 2248, 3590/3, 3590/R, 3590/1, 6861, 7128, 3591/1, 3591/2, 7151/6/R, 7151/5; 7151/7, and 7413 to a beacon situated at a distance of 204.2 feet and on a bearing of 70° 05' from the most eastern beacon of L.R. No. 7413; thence by a straight line on a bearing of approximately 171° 41' for a distance of approximately 5820 feet to a beacon on the left bank of the Mbagathi River and onwards in that same straight line to the centre line of that river; thence downstream by the centre line of that river till it becomes the Athi River and onwards to its intersection with the generally western boundary of L.R. No. 7274; thence southerly and westerly by that generally western boundary to the north-western corner of L.R. No. 7274; thence southerly by the western boundary of that portion for a distance of 650 feet to a beacon; thence by a straight line to the Trigonometrical Beacon Mynya and onwards by that same straight line to a beacon approximately 1254 feet due north of the Trigonometrical Beacon Lansy; thence due east by a straight line for a distance of 3,800 feet to a beacon; thence due north by a straight line to its intersection with the centre line of the Athi River; thence downstream by the centre line of that river to its intersection with the western boundary of Athi River Trading Centre; thence northerly by part of that boundary to its intersection with the generally south-western boundary of the Kenya and Uganda Railway Reserve; thence north-westerly by that reserve boundary to its intersection with the south-eastern boundary of the Embakasi Township Reserve (L.R. No. 2935); thence south-westerly and north-westerly by part of the south-eastern and the whole of the south-western boundaries respectively of that Township reserve to the point of commencement. The boundaries of the portion described above are delineated, edged red, on boundary plan No. 204 deposited in the Survey Records Office, Department of Lands, Mines and Surveys, Nairobi.

I am pleased that it has fallen to my lot to have the privilege of moving this

## [Major Cavendish-Bentick]

resolution, which I trust will form the first of the national parks which are going to be created in this country. Hon. members will, however, probably expect some explanation of the considerable length of time which it has taken to reach the point at which it has been possible to move this resolution.

As members are aware, a Game Policy Committee, with certain specific terms of reference, was appointed on the 28th July, 1939, and this Committee in due course submitted two interim reports, the first being dated October, 1942, and the second in September, 1945. It will also be remembered that as a result of those reports an Ordinance to provide for the establishment of national parks and the preservation of wild life was drafted and passed through this Council in the form of Ordinance No. 9 of 1945, and was assented to on the 28th January, 1945.

The area which we are dealing with to-day is that known as the Nairobi Commongame. The formation of a national park in that area was first mooted quite a long time even before the Game Policy Committee was appointed, and in both the reports of that Committee the proposal that this area should be created into a national park was urged. The Committee made several further recommendations regarding other national parks, and I will take this opportunity of saying something about those recommendations later on in my remarks.

As far as the area which we are concerned with to-day is concerned, I would point out that our preoccupation with the war, together with the fact that portions of the area were being utilized by the military authorities, rendered it quite impossible during the war years for detailed consideration to be given to all the problems which arose in respect of this particular piece of land. Since the termination of the war, and more especially during this year, great efforts have been made to find solutions to these various problems, and I should like to take this opportunity of paying a tribute both to the trustees of the national parks and to the executive officer who has been untiring in assisting to unravel the complications which continued to multiply when we went into the matter in detail.

To allude to only some of these, I would mention first and foremost the Somali problem, and in so far as that is concerned it has been recognized that some twelve families of Somalis have definite rights to reside on the commongame. A district officer was appointed to examine their position and recommend to Government the terms on which they should continue to live in the park. This report was considered by the Provincial Central Province, by the District Commissioner, Nairobi, and by various people concerned, and after a good many discussions the conditions under which these Somali families will continue to reside in this national park have now been drawn up by the trustees, in conjunction with my hon. friend the Chief Native Commissioner. These conditions have now to be accepted by His Excellency in Council. The finalized conditions have still got to be explained to the families in question and arrangements have been made for this to be done at the earliest possible date—I trust within the next few days.

The next problem to which I ought to refer is that of the definition of the exact boundaries of the proposed park, and in that connexion I have distributed to members a map which will show the boundaries in some detail. We also had to be sure that no further claims would be or could be put forward to any portion of the area which was going to be declared, either by the military authorities or by any other persons claiming to have an interest. I am glad to be able to announce that the area to be proclaimed can be definitely stated now to be free from all claims.

The next point was that we had to seek the approval of the Secretary of State to the removal from the Southern Game Reserve of a portion which will now be included in this national park. No difficulty is expected in this regard, as the fauna will naturally be carefully preserved under the direction of the National Parks Trustees, more so possibly than under the Game Department in the game reserves.

Hon. members, incidentally, will notice that part of the Ngong Forest Reserve has also been included in the park. This involved reference to the Highlands Board, as this forest reserve is actually included in the Highlands.

[Major Cavendish-Bentinck] Approval has been obtained, and the de-gazetting of this portion of forest reserve is being proceeded with.

I do not think I need refer, unless it is raised, to the proposals of the trustees as regards the conditions on which entry into the park will be permitted. The hon. Member for Nairobi South made a statement at the last meeting of Council explaining what the trustees had in mind in this respect. No doubt he will be able to give hon. members further information if that is required.

Finally, in regard to this area, at this stage all that is being sought from Council is consent to proclaiming it as a national park in accordance with section 3 of the National Parks Ordinance. The actual proclamation establishing the park, altering the boundaries of the Ngong Forest and the Southern Game Reserve, will not be signed by Your Excellency until the last few details have been completed, more especially in regard to communicating their fresh position to the Somalis concerned, but I trust we shall have this proclamation through before the end of the year.

Before concluding my remarks on this issue, I stated that I would say something about the other recommendations of the Game Policy Committee. As members are aware, the Nairobi Commonage was only one of four areas which were recommended as national parks. In addition a number of park adjuncts were recommended. As regards national parks, in addition to the Nairobi Commonage, two of the areas recommended—were parts of the Mount Kenya and of the Aberdare Forest Reserves. In the case of these two areas, the main difficulty arises in regard to the precise demarcation of the areas involved. The trustees of the national parks are endeavouring to engage a suitable officer as warden, who will be in charge of these two areas.

The warden's first duty will consist of selecting a number of prominent landmarks or features from which bearings can be taken, or to which bearings can be given, or on which a description of the boundaries can be based; that is to say, a description sufficient to satisfy the legal authorities and the land authorities. It must be appreciated that these proposed boundaries run through very

thick country, densely forested country in many places, and very broken country, and the boundaries have not been surveyed. Therefore, the difficulty of demarcating the areas in question is very real indeed. As soon as this can be overcome the approval of this Council will be sought to declaring these two areas also as national parks.

The position, however, is not quite so happy in regard to what was regarded in the report, and what is still regarded, as the chief national park; that is the Sabaki-Taavo area. The suggestions so far received in regard to the proposed boundaries of this park include areas which are still in doubt as regards their future utilization, and certainly would bring us in conflict with what we still think may be<sup>d</sup> future African requirements, and in one case possible future requirements for Indian land settlement. This is particularly the case in regard to the Chyulu area, and in regard to that area which I might perhaps best describe as the Taveta-Vallima-Jipe area. I rather fear that unless the trustees are prepared to take a somewhat smaller area, with possible additions at a later stage, as this national park, that final decision may be held up for a long time. I think it is only fair to come out with that openly and inform people of the position. Members must realize that before agreeing to what we are trying to render almost immutable sterilization we have got to think a long way ahead. We have got to take into consideration all possible requirements, and we must not lose sight of the fact that quite large areas of this country, which to-day are considerably developed, a few years ago could have been regarded as very suitable game reserves.

Lastly, as regards park adjuncts, I understand that there is to be a new approach to this particular problem, and all I can say is that when we have heard more closely the details of the new suggestions they will receive most meticulous consideration by Government.

MR. MARCIANT seconded.

SIR ALFRED VINCENT: Your Excellency, I had not intended to speak this morning, but I would like to thank the Government for the manner in which they have accelerated the declaration of the Nairobi national park.

[Sir Alfred Vincent]

But what really caused me to rise to my feet was the remark just made by the hon. member regarding the Tsavo-Sabaki area. That area has been examined and reported on at considerable length by very excellent men who are experts in regard to game and parks, and also have a great regard for the requirements of the population of this country in regard to settlement. I am expressing the views of the trustees, as I knew them before I went to South Africa, in this problem, and that is this—and I think I should be failing in my duty if I did not acquaint members with that to-day—you either have a park which is a park and which can be a credit to the country, or you do not have a park at all. That is my opinion, and if we are going to think in "future", then this country will never get anything done at all in that respect. That is the view of the trustees regarding the Tsavo-Sabaki area. We have examined it time and again. Government, quite rightly, have been somewhat diffident in giving way and proclaiming the whole area, but I think that this does merit very speedy examination, and if we are going to wait until the years go by and have no decision, then of course that park will never be declared as a proper park.

Therefore, I do hope that Government will recognize that and treat the Tsavo-Sabaki park as a very urgent matter, because we have an opportunity now of creating a very great interest in this country. The member has just stated that in everybody's opinion the Sabaki-Taavo park is going to be "the" park probably of the world, and for heaven's sake do not let us hang this thing up under one pretext or the other. We are bound to get criticism from home, from funny societies, whatever we do, so for heaven's sake let us have some courage in this respect!

MR. COOKE: Your Excellency, as a member of the Game Policy Committee from the start and for some time a member of the Board of Trustees of the national parks, I should like to support everything the hon. member has said.

I, too, was disappointed that the hon. Member for Agriculture has taken what I myself regard as a rather feeble line on this matter. The African Settlement Board, of which I am also a member,

and which has three African members as well as the Member for African Interests has unanimously resolved that we have no interest in this particular area of land. It has been thoroughly examined, not once but two or three times, and the unanimous reports by those experts who have examined the area is that it is comparatively worthless for any kind of native settlement. In fact, it would probably cost about £300 to £400 to settle one native family on any of the area examined, except for one small piece with a slight amount of irrigation, but that does not cut any ice at all. I feel that we are not justified in going on with these national parks unless we can get this area. I do not think we are justified in the great expense that that organization has to carry with executive officers and a board of trustees if the eyes are picked out of this particular area proposed for a national park. I have been interested in game and know a good deal about game, having been in this country 30 years, and parts of this area are absolutely admirable for a national park. They have got every type of big game which visitors like to see—and indirectly, by the revenue which these parks will bring in they must greatly benefit all inhabitants of this country, including Africans.

A few words about Nairobi park. It is a very badly delimited area that is coming in, but we must be thank[ful] to see it. Now, there are some Europeans who say that their rights are being infringed, people who go riding in the park and that sort of thing, but we must assume that the committee which is going to advise the trustees are sensible and reasonable people and will not put vexatious restrictions on the use of the park.

I should like to support the motion wholeheartedly, but not support the concluding remarks of the hon. Member for Agriculture.

MR. PATEL: Your Excellency, I rise to support the motion before Council, and I also support the remarks made by the hon. Member for Agriculture and Natural Resources. I do not agree with the view taken by some members of the Council that a game park should take precedence over the necessities of human beings residing in this country. I think it will be a false policy to pursue. It may be necessary to demarcate the game park

[Mr. Patel.]  
 as early as possible, but at the same time every opportunity should be taken and all means adopted to find out in the first instance from that land whether the settlement of Africans—and to a certain extent the settlement of Indians and Arabs—can be successfully pursued or not. I may inform this Council that if that land is not good for African settlement I do not think we shall be able to find any suitable land for Indian and Arab settlement. But I am not satisfied that all steps have been taken to find out if there is a suitable area in the Tsavo-Sabaki land for Indian or African settlement or not. If there is no land for settlement there is no objection to that being declared as a game reserve, but in all seriousness, I say that the remarks made by the two previous speakers cannot be accepted. The interests, I repeat, of human beings in this country must take precedence.

SIR ALFRED VINCENT: On a point of explanation, speaking for myself, I have not suggested—not suggested—that the land should be used for a national park if it can be used for the other purposes, and all I asked was for acceleration so that we should not have to wait for years.

ARCHDEACON BEECHER: Your Excellency, I rise to support the motion, but I should like to take the opportunity of making one or two comments.

In the first place, I very much regret that negotiations with the Somalis, who have certain prescriptive rights in the area concerned, have not been completed and made the subject of a satisfactory settlement before this motion was introduced into this Council. There is nothing more damaging to confidence than to take for granted that certain suggested settlements will, in fact, be accepted, and I would repeat that I very much regret that the hon. member, before introducing this motion, did not secure that the Chief Native Commissioner and other officers concerned had absolutely finalized that particular situation.

Secondly, with regard to the area about which the hon. member last spoke, I beg to differ slightly from the hon. Member for the Coast in the remarks which he has just made. The officers of

the African Land Settlement and Utilization Board have undertaken a very full examination of the area with which that game park might possibly at a later date be concerned, but I do not agree that the African Land Settlement and Utilization Board is in a position completely to write off the whole of that area as land which cannot be used for the purposes of African land settlement. It is perfectly true that certain areas are quite useless for that purpose, and as the hon. member said would cost sums very considerably beyond the bounds of reasonable economies to settle one family very precariously in that area. At the same time, we have reason to expect that there may be certain pockets, by no means small, in that area which can be used for African land settlement. Therefore, I should not be prepared to say to-day in Council, as an unofficial member of the African Settlement and Land Utilization Board that we are prepared to write off the whole of it. At the same time, I will give the assurance as an unofficial member of that board that we unofficial members as a whole are most anxious to expedite the fullest consideration of the whole of that area, and I think that the hon. Member for Nairobi South can be well assured that we shall, within a reasonably short space of time, be in a position to state quite categorically what the views of the Board in respect of that area are.

Finally, I should, with your permission, sir, like to take this opportunity of correcting a false impression which appears to have got abroad, namely, that I personally am opposed to the game parks policy. This false impression has probably arisen through a partial quotation by the local Press of some remarks I made in correspondence to the *London Times* in February of this year. Partial quotations are always misleading. In point of fact, I was alone in the defence of the Kenya game park policy against a whole mass of correspondents who would—have preferred to regard East Africa in general and Kenya in particular as one of the main reservoirs of African wild life still remaining, and disregarded almost entirely the human interests, not least the Africans, in this country.

It is true that in the course of the correspondence I then, as I did at other

[Archdeacon Beecher.]  
 time, made reference to the necessity for game control in consideration of health and crop preservation, but I also on that occasion made as spirited a defence as I could of the game parks policy in this country, and that defence was not quoted, I understand, by the local Press. In view of that, and in order to make it quite clear once and for all that, so far from being opposed to such a policy I support it, I ask your permission, sir, to quote my last paragraph:—

"At the same time it was our concern to honour to the very full the obligations laid upon us by the London Convention for the Protection of African Fauna and Flora. If your correspondent—the gentlemen who initiated this unjustified attack on our policy—will consult the report of the debate on the Bill, the report of the Select Committee on the Bill, and the debate on that report, he will see that we in Kenya are as keen as he is for the preservation as well as control of our flora and fauna. The trustees appointed under the Ordinance, and including members of the African, European and Asian communities, are now carrying out the provisions of that Ordinance in the spirit of the London Convention. Parks and park adjuncts are now being demarcated"—that was perhaps a pious hope!—"and I trust that when your correspondent visits Kenya, as I very much hope that he will, he will find that we have not failed in our stewardship of the good gifts of nature."

I beg to support the motion.

MR. COOKE: Your Excellency, on a point of personal explanation—I did not like to interrupt the hon. member, I did not refer to the Chyulu area because that is on the fringe and is not the eyes of this particular park, and I imagine that the trustees have really relinquished a claim to that. I really meant the Ngulua-Tsavo-Serengeti area, which is the most important part and to which the trustees have a claim, for it is not required by the African Settlement Board.

MR. MARCHANT: Your Excellency, I feel that I should offer some explanation in view of the comments which have been made with regard to the Somali interests which are affected.

Hon. members will remember that this matter was considered by the Carter Commission which sat here in 1933 or 1934. The recommendations of that commission have been accepted by the Game Policy Committee and, in fact, the trustees have agreed to certain Somalis remaining in the park subject to certain conditions. At the present we are reducing those conditions to writing, which to all intents and purposes will form a charter for the Somalis resident there. I can assure hon. members that their interests will be properly safeguarded as recommended by the Carter Commission.

ARCHDEACON BEECHER: On a point of explanation, Your Excellency, I was not in any way questioning whether the interests of the Somalis were being taken care of, but I do very much question the situation of not finalizing the matter before this motion was brought before Council.

MAJOR CAVENDISH-BENTINCK: Your Excellency, most of this discussion was not really on the motion before Council, but it is entirely my fault that it took place. I am very glad that it has, because discussion on one of the national parks leads one to the others, and all members on both sides of Council are very interested in trying to push ahead with the declaration of those parks.

One or two specific points have been raised. The first was the question of the Somalis, which has been answered by the hon. Chief Native Commissioner. The point is, of course, that these Somalis, in varying numbers, have resided there, some licitly but most illicitly, for quite a long period of time, a great many years to my certain knowledge, and those who have a right there are going to be allowed to remain. It is not a question of our bringing matters to a finality—it is merely a question of satisfying the authorities concerned, such as the Chief Native Commissioner, that the stricter conditions proposed by the trustees are fair and reasonable.

Coming now to the question of the Sabaki-Tsavo park, I thought I made Government's position fairly clear. I really only said what the hon. Member for the Coast in his second speech said, which is that until the area is completely satisfied that all of the proposed area,



[Major Cavendish-Bentnick] in writing before they are asked to finally vote on them. I might add that I had an opportunity of explaining to the European elected members yesterday evening, to those most interested, the objects of these amendments.

The Bill, as it stands, has various objects in view, which I will explain as I go along. The first clause is merely formal. The second clause is a proposed amendment changing the name of the Agricultural Production and Settlement Board into the Board of Agriculture. That change has been generally agreed to. It was discussed at the last Production Conference, and I think it is generally realized that the idea is now to turn the Agricultural Production and Settlement Board, which has already been split into an Agricultural Board and a Settlement Board, into a Board of Agriculture. Clause 3, as it stands, proposes to amend section 12 of the principal Ordinance. The second paragraph of section 12 provides that "where a farmer has submitted a programme of production and either before or after he is served with an order under the provisions of section 11 to cultivate any specified acreage of crops, he wishes to increase his programme, he shall forthwith notify through the District Production and Man Power Committee the Board" and so on. In practice, that only provides for a notification of increasing production. In fact, the notification we desire to receive may in many cases be a notification of a decrease or modification of crop or modification of individual plans, and in order to provide for that—it is really formal—we have suggested instead of providing for notification of an increase alone that there should be provision for notifying any modification of a production programme.

MAJOR CAVENDISH-BENTNICK: That is precisely what I said in my opening remarks. If you are not prepared to compromise it will take a very long time. If, on the other hand, it is possible to declare a slightly smaller area it might be done with considerable celerity. There are at least three small areas within the proposed demarcation on which there is doubt. I have seen them myself, and a great many other members have. The real point of my remarks was that if the trustees can see their way to be a little less uncompromising (laughter) we might be able to meet them. After all, I would repeat what I have already said, country that has not looked very promising has in a great many places in the world subsequently been found to be worth developing. That is why we have to be very careful.

The question was put and carried.

### INCREASED PRODUCTION OF CROPS (AMENDMENT) BILL

#### SECOND READING

MAJOR CAVENDISH-BENTNICK: Your Excellency, I beg to move: That the Increased Production of Crops (Amendment) Bill be read a second time.

I should like to explain that, as a result of a meeting with certain hon. members opposite yesterday and discovering that they were very anxious to introduce certain amendments to this proposed amending Bill, I am going to suggest considerable alterations to the printed Bill before members. I will explain what they are and why we propose they should be made, but before the committee stage on the Bill is reached the amendments will be circulated and members given an opportunity of seeing them at least a day or two

in writing before they are asked to finally vote on them. I might add that I had an opportunity of explaining to the European elected members yesterday evening, to those most interested, the objects of these amendments.

The Bill, as it stands, has various objects in view, which I will explain as I go along. The first clause is merely formal. The second clause is a proposed amendment changing the name of the Agricultural Production and Settlement Board into the Board of Agriculture. That change has been generally agreed to. It was discussed at the last Production Conference, and I think it is generally realized that the idea is now to turn the Agricultural Production and Settlement Board, which has already been split into an Agricultural Board and a Settlement Board, into a Board of Agriculture. Clause 3, as it stands, proposes to amend section 12 of the principal Ordinance. The second paragraph of section 12 provides that "where a farmer has submitted a programme of production and either before or after he is served with an order under the provisions of section 11 to cultivate any specified acreage of crops, he wishes to increase his programme, he shall forthwith notify through the District Production and Man Power Committee the Board" and so on. In practice, that only provides for a notification of increasing production. In fact, the notification we desire to receive may in many cases be a notification of a decrease or modification of crop or modification of individual plans, and in order to provide for that—it is really formal—we have suggested instead of providing for notification of an increase alone that there should be provision for notifying any modification of a production programme.

Now the chief reason why this amending Bill requires alteration is because it was put to me yesterday that it is now the desire of a number of members opposite to remove the responsibility of advising to crop prices from the Board and to place it in the hands of the Member for Agriculture. I think their reasons for making this suggestion, and they are not without foundation, is that the Board, as it is constituted, is in regard to crop prices, in certain instances very apt to be rather acrimoniously divided, and perhaps on some

[Major Cavendish-Bentnick] occasions as a result has given the sort of advice that arises from a dispute rather than advice arising from an unbiased consideration of the problem from every point of view. As I have already pointed out, the duty of the fixation of prices from time to time lies with the Governor in Council, who does so at the moment after hearing the advice of the Board. If it is the wish and desire that such advice should be tendered by the Member for Agriculture I have no objection, and I think it may have certain advantages, having in view the sort of reorganization we have in mind for the Board of Agriculture, possibly under an unofficial chairman in future. I bring that in here because I would point out that when the Bill goes to the committee stage, clauses 3 and 4 will become 4 and 5 and a new clause 3 will be inserted which will substitute in section 5 of the principal Ordinance the word "Member" for the word "Board". Under section 5 of the principal Ordinance the "Governor in Council may on the advice of the Board from time to time by notice in the Gazette declare". If the amendment is agreed to, this will read the "the Governor in Council may on the advice of the Member from time to time by notice in the Gazette declare".

We shall also have to insert in section 2 of the principal Ordinance a definition of "Member", because a Member was not thought of at the time the principal Ordinance was introduced, and there is therefore at present no definition of "Member" in that Ordinance.

Turning to clause 4 of this Bill, it provides for an alteration to section 23 of the principal Ordinance; which provides for the appointment by the Board of any person through whom crops shall be marketed, "provided that, in the case of wheat, such crops shall be subject to the provisions of the Sale of Wheat Ordinance, 1930". That portion of this section remains unaltered except that if "Member" is substituted for "Board" it will be the Member who will make the appointment. In addition, we are going to make an addition to that section so the effect of any person so appointed shall comply with all orders issued to him by the Board or Member relating to expenses which may be incurred and charges which may be made

in connexion with such marketing. The object of that is to begin to get back to the pre-war system of marketing, but the person or agency appointed will be told in advance what price he will get for the produce. In regard to the fixation of price to the producer, the agent will be told not necessarily in exact shillings but the type of charges he may make. For instance, shrinkage charges, storage charges, overheads, and so on, will be legitimate charges to be made and deducted from the price he receives for the crop.

In the second part of this clause, by changing the word "Board" to "Member", orders relating to the marketing of any crop and subject to the approval of the Governor in Council, orders regarding the price at which any crop may be sold will be issued by the Member. Under the principal Ordinance the issue of such orders was provided for, and there is no change there. These minor amendments, I may say, have been agreed to by all concerned, including the Kenya Farmers Association. There are also certain small further amendments which will have to be brought in with regard to deductions, because since this amending Bill was drafted a new scale of penalties for defaulting a new scale of penalties for defaulting in wheat has been devised, which is on a sliding scale. At the moment the penalty is inflicted under a proviso to the price fixation order, the penalty being static. As this penalty is now going to be on a sliding scale, we must make provision under the Ordinance to provide for the agent deducting on a sliding scale the appropriate penalty, as and when they may be directed to do so. This will merely be an enabling clause to carry into effect the recommendations which have been made by a committee which sat under the chairmanship of my hon. friend the Member for Rift Valley.

This Bill deals largely with prices and price fixation, and I believe certain hon. members opposite are nervous, or their constituents are nervous, that we are going to use it to reduce prices and so on, and they would like to have some sort of assurance. All I can say is I can see no reason—I wish I could in some ways, both from the food supply point of view and still more from the point of view of expense to the farmer, for labour—why anybody should anticipate



[Major Cavendish-Bentinck]

a reduction in prices. So far as maize is concerned we are now proposing guaranteed prices for 1946, 1947 and 1948 plantings. I do not see how I can, at this moment, guarantee what the prices of other goods are going to be. That is a subject which can only be dealt with on an East African basis, in some cases only after consultation with the Ministry of Food and other authorities at home. But I can say this, that it is not the intention of Government to start screwing down prices; on the contrary, we want to afford stability to farmers, and certainly we shall take into every possible consideration the costs of production and so on and so forth.

I am afraid that, owing to the fact that the meeting at which further amendments were suggested only took place yesterday, my explanation of this amending Bill has perhaps been rather complicated and perhaps difficult to follow, but I will give an undertaking that before we come to the committee stage every member will have clearly before him a statement showing the new proposals which have been made as a result of yesterday's discussions.

MR. FOSTER SUTTON seconded.

MAJOR CAVENDISH-BENTINCK: Your Excellency, on a point of procedure, may I say that during the interval one hon. member has pointed out that it is somewhat difficult to follow amendments to an amending Bill without having the proposed amendments in writing, so that hon. members can see exactly what they are discussing. I must say I entirely agree with him, but it was not until yesterday that the fresh point of view was put to me, and I would add that it is very urgent indeed to get this amending Bill through, because on it depends the legal sanction for making certain payments which have to be made now, and also incidentally certain deductions which are also being made at present.

However, during the interval it has been suggested that we adjourn the debate at this stage and that the proposed amendments to the amending Bill should be circulated to all members at the earliest possible opportunity and we will resume the debate early next week. With the leave of Council I would ask that the debate be adjourned.

The debate was adjourned.

## WORKMEN'S COMPENSATION BILL

### SECOND READING

MR. HYDE-CLARKE: Your Excellency, I beg to move: That the Workmen's Compensation Bill be read a second time.

This is one of several measures of labour legislation which I hope it will be possible to bring before Council during this particular session. It is clear that the labour laws of the Colony require considerable revision, and the intention is to try to produce a consolidated labour code, as in other Colonies, in two or three years' time. In the meantime, certain measures are necessary and overdue, and I make no apology for this rather piecemeal approach, because it will give us the opportunity over the next two or three years of testing each measure as we bring it in and revising it as may become necessary, so that its ultimate incorporation into a consolidated labour code will be rendered all the more easy.

I should like to make it clear at this stage that each one of these measures which will come before Council is part of a co-ordinated policy for labour. The Development Report made it quite clear that one of the essentials of progress in this colony was the proper utilization of manpower for the economic development of the resources of the colony, and this as translated by my Department, or as applied to manpower from my point of view, means a fair day's work for a fair day's pay, and a fair day's pay means a great deal more than just wages. Workmen's compensation is but one aspect. May I say at this stage that I hope to-day's debate on this Bill and the one which is to follow immediately will not develop into a general debate on the labour position of the colony. There will be a more appropriate opportunity later on when we come to put before you an amendment to the Employment of Servants Ordinance.

This Workmen's Compensation Bill involves no new principle. We have already in the Mining Ordinance of the Colony compensation clauses, and we have had a good deal of experience in their working. We have also been working on a model code prepared by the Colonial Office some time ago, and the Bill which is before you to-day is really

[Mr. Hyde-Clarke]

the result of several years' experience of working both of them. When the matter was discussed by the Labour Advisory Board the question of whether the Mining Ordinance should be repealed and this Ordinance applied, so as to have uniform policy throughout the country, was considered, but on examination it was clear that, while the compensation sections in the Mining Ordinance were appropriate to that particular industry, they were not appropriate for extension to the entire colony, and it is a matter for consideration by the mining community, in consultation with the Labour Advisory Board, at a later date, whether the legislation now before you can be extended to that industry.

I have explained that this involves no new principle. We have had a good deal of experience of working the model Ordinance and it is, I must say, to the credit of a large number of employers that we have been so successful in obtaining a great measure of co-operation and support and of compensation. But the position is not entirely satisfactory. For one thing, without legislation we have only been able to effect something like two-thirds of the recoveries which we ought to have obtained, and in the present state of development of this colony and the differing races and the differing outlook, I regard it as extremely bad that any employer should default in his liabilities. Although they are few, they do indeed exist, and I regard it as absolutely essential that we should ensure that all obligations by employers are indeed met. For that reason we think it necessary to introduce this Bill and to give our present administrative practice the force of law.

The memorandum of objects and reasons sets out in very great detail the purposes of the Bill and the means by which these purposes are to be achieved. I will not, therefore, detain you, sir, or hon. members very long, but I will merely draw attention to what I regard as the most important provisions and to what I regard as the important departures from the existing law.

The basis of workmen's compensation is that the employer is held liable for accidents suffered by the workman arising out of and in the course of his

employment. Except for manual workers, there is an upward salary limit of £360—that is the total amount of benefits which will accrue in the case of death. The amount is limited to £600, or a lump sum based on 30 months' wages and emoluments generally, including house allowance, fuel, food and, in this particular colony at this particular time, cost of living allowance. In the case of permanent disablement there is an upward limit of £750 maximum or 42 months' wages and emoluments, with a minimum of £50. So far as death is concerned, the provision of the law and English practice is that there must be evidence to show that the deceased workman has in fact been supporting his dependants during his lifetime.

That brings me straight away to the most important departure from existing practice in England, and what we have been working under both in the Mining Ordinance and in our model code. We ask for special powers under clause 30 to deal with the labourer who is earning Sh. 100 or less. In Kenya the agricultural labourer, the casual labourer, does not on the whole support his dependants. It is common knowledge that he takes his own pay at his place of employment and his wife and family keep themselves on their native holding. If you applied the principles of English law to that particular class there would be no compensation payable, and for that reason and following the practice in Northern Rhodesia, we have inserted a special clause here which empowers the Labour Commissioner and any other authorized officer first of all to take all action on behalf of that class of employees, that is men on Sh. 100 or less, to serve the necessary notice on the employer (which it would be quite inappropriate for an illiterate African to do), and this is a most important thing, to deem which are the dependants of this particular class. That will give full authority to the Labour Commissioner, assisted by the appropriate officers in the reserves—the District Commissioner where there is no Labour Officer—to enable payment to be made to dependants who might not necessarily have been maintained by the workman while in employment. We thought that quite a definitely special protection was required for that particular class.

[Mr. Hyde-Clarke.]

So far as insurance rates are concerned—the next important point—I have been amazed at the very low rate which has been quoted by the insurance companies. The insurance, which is based on the yearly wage bill incurred by any particular undertaking, is at the rate of 10 cents per Sh. 20 wages. That means that in the case of an employee earning something of the order of Sh. 15 a month, with another Sh. 15 worth of housing, rations, fuel, etc., making a total of Sh. 30 a month, the annual premium for the agricultural industry for that particular person is Sh. 1/80, which cannot be regarded as onerous. So far as more dangerous occupations are concerned, as for instance sawmilling, this premium will rise by about four times as much, but even that is only 40 cents in the £.

Those are the main principles of the Bill and the main clauses. The statement of objects and reasons makes the position extremely clear, and it is not my intention to go through each clause one of a time.

To sum up, it is a Bill which we regard as an interim measure. It is not one which can be fully applicable to this colony for ever. It does not follow the present English practice, because workmen's compensation in England as we know it to-day ceased in June last and there is a new form of social insurance which would not be appropriate to the present state of development of this colony. We have taken special measures to deal with the class of employee, not necessarily an African, but merely the class of employee earning Sh. 100 or less whom we regard as requiring special safeguards. The premium is not high for such employers as wish to cover themselves by insurance, and we regard it as a very proper safeguard both to the employer and to the employee and a measure which is necessary to assist in the establishment of a proper relationship between masters and servants in this colony. (Applause.)

MR. FOSTER STURTON seconded.

SIR ALRED VINCENT: Your Excellency, I have only one point to make and that is that, as in the case of the Third Party Insurance, I take it Government would be perfectly willing to allow sufficient time for the insurance companies

to get organized for carrying out the work in question. I understand from them that the work involved would be of considerable magnitude.

MR. NATHOO: Your Excellency, I must congratulate the Labour Commissioner for the concise and able way in which he has put forward the Bill, and I think everyone in this country will agree that it is high time that this class of the community received some protection whilst they are working. I hope that this measure will be the forerunner of many to come, to see that the labour in this country, particularly workmen in different classes, is protected.

There are one or two observations I should like to make, the principal one of which is that under the Bill, as far as I see it, it does not make it compulsory for the employer to insure himself against this compensation, and in white cases may be isolated. It is only right that employers should insure themselves against this type of compensation, and in view of the very small premium I think it would not be a very great hardship.

There is another point also. The Bill provides that compensation may either be paid in a lump sum or in instalments. I think it is necessary, particularly for this class of people, that whatever compensation is given to them should be by instalments and not by a lump sum, as it is likely that any lump sum given to them might be frittered away in a very short time.

There is another aspect of the case in which I think that, besides compensation, the workmen should be fully reimbursed, and that is for medical and hospital expenses which may occur, and that should be verified. As regards particularly the Railway, I am told they have their scheme, and if that is the case I should like to request the hon. General Manager to see that when computing this kind of compensation the extra amount that the running staff may earn in the course of their duty should also be included in the compensation given.

ARCHDEACON BEECHER: Your Excellency, I rise very briefly to support the measure before the Council.

I am very glad that the hon. member made it clear that this is regarded merely as an interim measure, for it is

[Archdeacon Beecher]

indeed nothing more than a first step towards an effective system of legislation which will provide social security for employees, with no primary consideration of race. As a member of the Labour Advisory Board and as a member of the sub-committee of that Board which was concerned with the preparation of this measure, I am bound to say I have found the hon. member's Department and the law officers of the Crown most helpful in the preparation of this measure.

I should like to say how very much I support the remarks of the hon. acting Member for Central Area (Mr. Nathoo) on the subject of the payment of compensation by instalments. I feel that the provisions which are made here are satisfactory as far as they go, but I do hope very much that when we carry this type of legislation a stage or two further we shall extend that system of the payment of workmen's compensation by instalments. I realize that at the present time we cannot introduce into this country a system of social legislation comparable with that which is now coming into force in Great Britain, but I do hope the time is not very far off when we shall take a further step forward, of which this is the first, in the provision of social legislation of this type.

I beg to support the Bill.

Mrs. WATKINS: Your Excellency, I rise to support the Bill, and indeed to welcome it on behalf of the farmers of Kiambu. I think it is a most important measure and I am very glad to see it has come on at last.

I have seen lately quite a number of maimed Africans who say they have no compensation, but I should like to suggest to the hon. Chief Native Commissioner in connexion with this that those people who receive instalment payments for their deformities, or for accidents which may lead to deformities, should not then be allowed to capitalize those deformities, as many are doing in Nairobi now, and draw both benefits. It is very distressing to the public, and, in England, where the blind people have pension, if they insist on begging in the streets and depending on that kind of charity, their instalments are withdrawn. I do suggest to Your Excellency that something in that line should be

enforced here, because we do not want our streets in Nairobi to become, as they are gradually becoming, littered with people who have lost a leg or an arm and are adequately provided for under this bill, but who still think they are better off begging on the streets of Nairobi, or Kiambu, or any other town. There have recently been several accidents in the mines and I heard of two cases. A man with one leg received only Sh. 10 per month for one year, and then nothing. That is the kind of case I think the Labour Commissioner is now tackling, and I welcome it very heartily.

MR. VASEY: Your Excellency, I rise to support the Bill and to welcome it just as much as other members have done, and I congratulate the hon. Labour Commissioner on his brief but excellent introduction of it. There are two points that I would like to raise.

One is clause 6 (c), where the funeral expenses and expenses of medical attendance in cases of fatal accidents have been limited to Sh. 300. As a result of the injury death may perhaps be a delayed process and reasonable medical expenses, therefore, may exceed that sum and the balance may fall on the dependants. I shall move an amendment in the committee stage asking that the words "not exceeding in all the sum of Sh. 300" be deleted.

One other point is that dealt with by the hon. Member for Central Area (Mr. Nathoo), that is the question of compulsory insurance. I do not think that at this stage I personally could agree to that. I have been working out roughly the figure as it would affect the firm of which I am a director, which employs some 1,000 Africans. As I see it, if the figure of 40 cents per Sh. 20 were the insurance premium, it will cost that particular firm something in the nature of £900 to £1,000 a year. That firm, I can speak with confidence, will welcome legislation, but it must have power to rebalance in its own interest the wisdom of insurance having regard to the cost of accidents as against the cost of insurance. Therefore, I think at this stage, until we have had experience, I could not support the suggestion that it should be compulsory for the employer to insure.

With those few remarks I welcome the Bill and express—and echo—the hope of the hon. member Archdeacon Beecher

[Mr. Vasey] that this will be the first of a series which will improve the working conditions of the manual and lower paid labour. (Hear, hear.)

MR. FOSTER-SUTTON:—Sir, there are one or two points that I should like to deal with. One, raised by the hon. member on the opposite side of Council, was in connection with the payment of compensation, etc., by instalments. I should like to draw attention to the fact that the Labour Advisory Board did not omit to consider that before the Bill was finally submitted to Government, and if the hon. member will turn to clause 30 (1)(ii), he will see that it reads as follows: "the form and manner in which payments shall be made by an officer under the provisions of paragraph (i) hereof shall be in the discretion of the officer, subject to any general or special directions of the Labour Commissioner." It is intended under that particular provision to provide for payments, in the case of lower paid workers, by instalments. That will cover one particular class of employee. It admittedly does not go the full extent advocated by the hon. member.

I do not know if the hon. Member for Nairobi North has forgotten clause 27. I should not like any misunderstanding to arise hereafter. There is provision in the Bill enabling the Governor in Council to require, by order, any employers to insure, and we considered this at some length—

MR. VASEY: I am quite prepared to accept that clause; it was the suggestion that it should be applied to all employers.

MR. FOSTER-SUTTON: The object was to protect workmen against employers who happened to be men of straw. It is intended as a safeguard for the workman, so that he will not, by reason of the fact that the employer is unable to meet his liabilities, be defeated of his rights under this Bill. It is not intended to apply it wholesale.

The hon. Member for Nairobi North asked if Government would give time. Of course it will. We gave time in the case of the third party insurance legislation, and if it is intended to make an order under clause 27 of this Bill time will be given to the insurance companies to prepare the necessary documents.

The hon. Member for Nairobi North raised another point, and I should like to mention the reason why we adhered to the figure of Sh. 300. We endeavoured to keep our legislation in line with that recently enacted in Uganda. We ourselves would have preferred to have increased the benefits payable to an injured workman, but we had on our board the hon. General Manager of the Railways, and he pointed out that if we had different legislation in each of the territories it was going to considerably affect an organization like the Railways. The same remarks apply to the Customs Department, because they have people employed in each territory, and if there was a different basis of compensation payable in each territory it would raise all sorts of complications. We have endeavoured, as far as possible, to get our legislation in line, so far as benefits are concerned, with Uganda, though I have no doubt that many of us sympathize with the proposal to increase that amount.

MR. HYDE-CLARKE: Your Excellency, my colleague the Attorney General has dealt with most of the legal points, in fact, all that have been raised, but there are one or two points of policy to which I should reply shortly.

The question, already dealt with partly of compulsory insurance will, in fact, mean a national or state compulsory insurance for social security, a measure we are not yet ready for. It would mean something more than we are prepared to undertake at the present time; we have not the knowledge or experience we have and as the hon. member Archdeacon Beecher said this is an interim measure, and we are not ready to proceed that length at this particular state of the development of the Colony.

The point mentioned by the hon. member Mr. Nathoo about medical expense was dealt with from one aspect by the hon. Attorney General, but there is another aspect. Sh. 300 is the maximum sum for medical attention which can be given where a workman dies leaving no dependants, but there is in Kenya at the moment a State medical service which, from my point of view, will ensure that in all other cases dependants are not at this stage required to put their hands into their pockets to any great extent.

MR. VASEY: On a point of explanation, I would correct a mistake of mine. I did not mean to say dependants, what I meant to say was doctors.

MR. HYDE-CLARKE: From the point of view of the illiterate worker and his regard as a major responsibility, that is the workman earning Sh. 100 or less, the point is met. Another point raised by the hon. acting Member for Central Area was the question of the compensation schemes of large companies. There is provision in the Bill to permit any greater compensation by any arrangement a company likes to make, so long as that arrangement is equal to or in excess of this minimum now being laid down.

The hon. Member for Kiambu raised the question of the administration of instalment payments and the undesirability of beggars coming into this township, but from that particular aspect it is really a matter for municipal by-laws. From the point of view of the powers I now hope to get, we will endeavour to see that the instalments are made the best use of and not capitalized, but the instalments cannot be reduced too much. The total amount payable in many cases would, if computed on a permanently pensionable basis, be something like Sh. 3 or Sh. 4 a month.

The question was put and carried.

#### MINIMUM WAGE BILL

##### SECOND READING

MR. HYDE-CLARKE: Your Excellency, I beg to move: That the Minimum Wage Bill be read a second time.

Again, this is not a new measure. There has been on the statute book of the Colony since 1932 an ordinance to provide for fixing a minimum wage, but it has on the whole been defective. Some of the points which I will make are that in the existing Ordinance there is no penalty clause or provision regarding continuing offences, and no clause to enable the court before which an employer is convicted to order the employer to pay any amount under an order, or to make the payment of less than the minimum wage liable to conviction. Nor is there any clause casting the burden of proof of any prosecution on the person failing to pay less than the minimum wage. The present legislation is completely ineffective, but we

have got by Defence Regulations a Minimum Wage Regulation which applies to Nairobi, and there is a Minimum Wage Advisory Board established under the existing but unsatisfactory Ordinance.

This again is one of the measures which we feel it is necessary to introduce at present for a number of reasons. The first point I should like to make is that there is a good deal of loose talk and fear about the countryside about the effect of such legislation. I do not see why that should be, it is not entirely a matter of relating wages to output. That is only one aspect. In the townships, for instance, it is absolutely necessary to establish a minimum wage upon which a question of output—in an office boy cannot carry two files if there is only one to carry. Again, there are other aspects about output which must be brought into consideration in dealing with minimum wages. It is a question of skill also, and the trained artisan is entitled to a certain amount of protection, particularly those who are being trained at the Native Industrial Training Depot at Kabete.

I believe, and this is my own personal belief, that in the first instance we shall have to go extremely slowly over the application of this Bill and apply it definitely to townships, to deal with the social evils of poverty and distress and so to relieve conditions and remove from the townships, as has been the case in Nairobi, a large number of underpaid employees. The Defence Regulations had the effect of removing over 4,000 from this town alone. The second way in which the Bill might be applied is to trade-tested artisans, and in that case the minimum wage would also apply so long as that man held a trade-tested certificate. We have got provisions under another Ordinance for making regulations for trade-testing. We have not made them yet, but it would be my recommendation to the Labour Advisory Board and thus to Government that a minimum wage for artisans should apply only so long as a man held his certificate, and he would only hold that certificate so long as his ability is high and his application satisfactory. From those two points of view it would not be

[Mr. Hyde-Clarke] right to relate minimum wages solely to output.

The new Bill is an enabling measure which will enable Your Excellency, when Your Excellency is satisfied that any particular undertaking in any particular area is underpaid, to cause inquiries to be made. If necessary, and doubtless Your Excellency will adopt that practice, the English practice, to appoint local advisory boards. These, I think Your Excellency will find, will provide the necessary safeguards to insure that any wage regulation was based upon the economic carrying capacity of the industry.

It is not a matter in which we can proceed at all quickly; it is particularly not a matter in which we can proceed quickly in agriculture. The only reason for which Your Excellency might be advised to consider a minimum wage for agriculture would be if there is a large and unforeseen demand for labour from another source, which as yet we do not know of, to regulate a wages policy for the country and to deal with the large numbers of uneconomic labour forces which, at the moment, are employed in this country, particularly in agriculture. I said earlier that I hoped this debate would not develop into a long debate on output and on labour matters generally, but I must say at this stage that I must admit that output is not satisfactory, but that a great deal of the reason why output has gone down is because of competitive reduction of tasks by employers themselves, particularly in the agricultural community. There are, I am quite satisfied, large un-economic labour forces at the moment in the Colony, many employers having more than they require but who are not getting the output they ought to, and which I regard as their responsibility as much as that of Your Excellency's Government. Therefore, the only reason which might cause a minimum wage to be introduced in agriculture at an early stage would be to deal with that particular aspect.

I should like to go back to the question of its application to townships. I am quite satisfied in my own mind that we have got to take action fairly soon, particularly in Mombasa and Nairobi. The list of trade goods purchased by

Africans, such as dietz lamps, bicycles, American and the number and range of small consumer goods which make up the incentive—and I am excluding food altogether—shows that a list of articles which before the war cost something like Sh. 220 cost nowadays Sh. 620, nearly a 300 per cent increase. For that reason we need proper legislation, we certainly need a proper investigation before applying that legislation, and we certainly need some form of economic survey into this particular question. For that reason I am asking that we should have this legislation, enabling legislation, so that as we get more knowledge, as we get a greater degree of knowledge of our economies of the various undertakings and the cost of living generally, we have means which we have not at the moment—except by Defence Regulations, which will lapse in due course—to impose in certain undertakings when it becomes necessary a wage related to the economic carrying capacity of the industry and the needs of the individual workman.

I am going to quote one thing if I may, from an international survey of the minimum wage published in Geneva. According to Sir Hector Hetherington, the Trade Board system as a whole "has produced stability without rigidity. Many businesses which could maintain themselves only by the payment of sweated wages have been forced out of existence. But, on the whole, they have been replaced by more efficient units which have been able to support the higher rates. Wages have risen; employment has not diminished; and there are few trades which would readily return to the unregulated position of pre-Board days". I do suggest that exactly the same position will arise here, and when we get some proper wages policy, which we cannot have without such an ordinance as is now contemplated, many of these discontents and strikes and upsets, and exasperation on the part of farmers particularly and frustration on the part of workers, ought to be able to be resolved. The "objects and reasons" of this Bill are fully set out, and I do not propose to deal with anything more than by way of general observation.

MR. FOSTER SUTTON seconded.

MR. VASEY: Your Excellency, I would also like to speak on this Bill, and I

[Mr. Vasey] would ask the indulgence of the Council if I appear to be a little long.

I welcome this Bill in principle again as part of the method towards a consolidating labour code which the hon. Labour Commissioner has said Government is moving. Having accepted it in principle, I would like first of all to deal with one detail, and that is in clause 11. Clause 11 throws the burden of proof of innocence upon the accused person, and while I recognize the expediency of that particular clause in the conditions with which the Labour Commissioner will have to deal, I doubt the wisdom of departing from a general rule which I myself in this Council have advocated on many occasions and on which my hon. friend the Attorney General has never failed to agree with me. I doubt whether it is wise just for the sake of expediency to depart from a long established rule of British law that the burden of proof of guilt must lie on the accused and not on the person prosecuted.

Moving to the general question of minimum wages, a company of which I am a director and which I spoke about a few minutes ago, have a branch in England—the British Bala Shoe Co., Ltd., of East Tilbury—and in the month of September we came to an agreement with the National Union of Boot and Shoe Operatives on wages and general conditions. For some years, in fact almost since the inception of the company, the company had co-operated with its workers by means of a management advisory committee, on which there was equal representation of employees and employer, and as a result of the operations of that committee, despite the fact that the firm did not operate under Union conditions, the president of the Union was able to agree with the statement made by the president of the company that the conditions were at least equal to, if not more favourable than those demanded by the Union. That is the policy which my company is now endeavouring to introduce into its factory here, that there should be a management advisory committee on which the European, Asian and African employees shall have representation, so that their case can be put before the directors of the company in the method of ordinary conversation and before difficulties and troubles arise.

I suggest it is a method of experiment which is well worth trying in industries in this country. It is my hope that when the advisory boards which are presumably to be appointed under clause 4 are appointed that, instead of seeing the present position which operates on the Nairobi board—that only employers are represented—Your Excellency will make some provision for the representation of employees. I would not like to give the impression that the Nairobi Minimum Wage Board was consciously made to consist of employers, but as it was practically taken wholesale from Nairobi Municipal Council it almost automatically consisted of employers.

To move from there to the general question, this Bill, as I take it, is to be part of the general policy which the hon. Labour Commissioner is attempting to follow. In that it is good, I hope that he will be able to resist the temptation of believing that the fixing of minimum wages is really getting towards a solution of a labour problem such as we face to-day.

In reading the industrial reports from Great Britain, both from the employer's and the employee's side, it has become noticeable during the past few years that the emphasis is gradually shifting from the question of wages to the question of conditions. Wages are usually paid in cash, and the £ is a varying value standard. It means continual adjustments because of the cash value, because of what can be purchased for that £, but conditions are something which are stable and can be assured as of continual benefit, and in this regard it is interesting to note from the agreement with the Boot and Shoe Operatives Union to which I referred earlier on, that the Union president in every case put conditions as more important than wages. He said, speaking to the workmen: "Our object in these consultations has been to ensure that of the conditions in which you work, the wages you receive, the conditions are more important". A little later on he said: "Some of you may be aware that the working conditions, wages, hours of labour and holiday payments, etc., . . ." In every case Mr. Crawford, whose work for the operatives of the boot and shoe trade is almost beyond praise, has placed conditions before wages.

(Mr. Vasey) I should like to read from a report which was laid on the table not long ago by the hon. General Manager of the Railways and Harbours, and which is, in my opinion, of such value that I should like to read this extract mainly that it should be on record in the Hansard of this Council:—

"Unfortunately one basic problem which is the major labour problem of East Africa remains. Every committee which has been set up to inquire into the question of African wages has been faced with the problem of complete urbanization of the African detached from his naive tribal area, and if this problem could be solved then there is little doubt that one of the major causes of unrest would be removed, and to a very great extent, the existing pressure on the native reserves would be removed. But the solution to the problem depends upon the payment of a wage rate which will enable the African worker to live a normal family life under urban conditions, and also entails the provision of social services to replace those primitive social services which have in the past been provided by the tribe. The Administration has realized this problem and, within the limits available, has endeavoured to meet it by providing facilities so far as it is able for housing families, but in present circumstances only a proportion of the staff can be given sufficient accommodation to provide for families. It is argued that the African cannot be completely urbanized and live a normal family life in the towns on the present wage structure and that to enable him to do so wages would have to be considerably increased. But it is evident that no further and major increase could be made in the wages paid by the Railway Administration if at the same time the existing rates and charges are to be maintained, unless the increase in wages was met by a considerable increase in the output of the workers, and this is the major problem. It is doubtful whether the raising of the rates and charges would benefit the mass of the Africans. It is more than probable that by raising the rates and charges a number of marginal industries would be compelled to cease production and would thereby throw a number of Africans out of employment, and so reduce the

amount of traffic to be carried by the Railway, thus diminishing the number of staff employed by the Railway, so that whilst a few might benefit, the mass of the Africans might well be worse off. Higher rates and charges would also have a considerable effect on the sale of African produce.

"It appears, therefore, that the only solution to the problem is a general increase in the output of the employees of the Administration. Every effort is being made to this end, but in the present stage of development of the African and with the present shortages of consumer goods, it is difficult to devise an incentive to greater output.

"There is evidence that money alone does not provide the necessary incentive and whilst it is difficult to draw conclusions from war-time experiences, improvements in housing and better feeding have not had the desired result and it is difficult to get the illiterate members of the staff to understand the economies of the question.

"The problem is not peculiar to the Railway Administration and is one which must be eventually solved for the whole of East Africa, and the most-promising line of action appears to be that of propaganda and education. The Administration has under consideration the engagement of a small team of experts charged with the task of finding suitable incentives to increased output."

There the hon. General Manager has from his experience put in a few paragraphs what many of us have been trying to say for some time, and I think that his arguments are beyond refute. Therefore, whilst I support the Minimum Wage Bill, I do hope that the Labour Commissioner will continue to press for the improvement of conditions in general, knowing that in that he is improving something which is of lasting benefit, which cannot be changed from time to time by the fluctuating value of the cash wage. I compliment him upon the progress he has made in labour legislation since he was appointed as Labour Commissioner, and can assure him that so far as I personally am concerned he will have every support in the energetic and active policy he is endeavouring to follow.

ARCHDEACON BEECHER: Your Excellency, in rising in support of this Bill should, as a member of the Labour Advisory Board, like to make it clear in respect of this measure that we regard it as only part of something much bigger. I do feel that from the point of view of the African in employment in particular, the stabilization of his wage rates, with all the other consequential emoluments that must be associated with that, is of primary importance in the solution of our agrarian problem.

I admit freely that the question of conditions of employment is important, and I should like to assure the hon. Member for Nairobi North of something of which he is probably already aware, namely, that the members of the Labour Advisory Board are most concerned with seeing that the conditions under which Africans in particular are employed are raised to the highest possible standards in relation to the economic conditions of the country at the present time.

I think that the hon. member was a little in error in describing conditions of employment as "stable". I trust that he would agree with me in describing conditions of employment as something in which we can look for progressive improvement. I can recall a photograph which was shown by one of the hon. member's predecessors of the houses in which employees at Government House were accommodated. They were hovels of an even worse and baser kind than those which are provided by the P.W.D. for their road gangs. That is a fair description of the kind of conditions in which African employees at Government House were at one time employed. But I know that you, sir, would in no circumstances tolerate such conditions, and I believe there has been considerable progress in that particular respect recently.

I should like to assure this Council that in supporting this measure for an improvement in the wage situation as it affects the employee, the Labour Advisory Board is most concerned, in seeing that the general conditions of employment are likewise improved in conformity with the general economic structure of life in this country.

MR. FOSTER SUTTON: Your Excellency, there is only one point I feel I

ought to deal with and that is the point raised by the hon. member for Nairobi North on clause 11.

I personally subscribe to the view that the onus of proof should normally rest with the prosecution, but I think there must be some limit to that rule and the limit should be governed, in my respectful opinion, by commonsense. As a matter of fact, the law in Kenya is slightly different to the law in England, because we have provision here, statutory provision—I think it is Ordinance No. 30 of 1936, speaking from memory—which lays down the rule that if a matter is peculiarly within the knowledge of an accused person, the onus of proof shifts to that person, and that seems to me to be a rule of commonsense. I could not agree to the deletion of clause 11. The matter provided for there is a matter which is peculiarly within the knowledge of the employer, and if the onus of proof is to rest always on the prosecution I think we shall find case after case failing. I think that it is reasonable and proper for the employer, if there is reasonable ground to believe that he is not paying the minimum rate of wage, to be required to prove that he has been paying the proper wage, and I would deprecate deleting that clause. I think if we do that it is going to make it almost impossible to properly enforce the measure.

MR. HYDE-CLARKE: Your Excellency, I am most grateful for the general support which has been accorded to this very difficult measure. I am particularly grateful to the hon. Member for Nairobi North and return him the compliment.

On the question of the representation of employees on Advisory Boards, it is a principle which Your Excellency will naturally accept, which we all accept, but it is not easy in the present stage of development of the different communities here to find representatives from those particular communities, and in a great many cases and probably for a great time to come the officers of my department will have to take upon themselves the burden of representing certain of the workers. But no one can quarrel with the acceptance of the principle that the Labour Department must, for a considerable time at least, be the representative of the employee.

[Mr. Hyde-Clarke]

On the question of the importance of wages in relation to conditions, a good deal has been said about that, and the Labour Advisory Board has made its decision clear, and the hon. member Archdeacon Beecher has emphasized that point, that particular class of employees are more important than wages and, in all the discussions which have been held recently about the country on labour matters, I have expressed the policy that the first thing is food, the second thing is housing; then some response from the African, and then investigation into his wages. That must be definitely acceptable labour policy. We are aiming at the steady improvement of conditions from every aspect, both from the legal aspect, providing the necessary legislation, and from the practical aspect of laying down diet scales and minimum standards of housing.

The question was put and carried.

#### PETROLEUM BILL

##### SECOND READING

MR. BOND: Your Excellency, I beg to move: That the Petroleum Bill be read a second time.

The purpose of this Bill is to enact legislation from the import, storage and transport of petroleum, which at the present time is controlled by the Indian Petroleum Act of 1889 and by rules made under that Act. This Act is no longer in force in India, and in many cases the rules which were made under it do not conform with modern practice. It is therefore considered desirable that the procedure be brought up to date. I would say that the oil companies, who are mainly concerned, have asked that the legislation regulating the transport and storage of petroleum should be modernized. This Bill seeks to introduce a measure of control more consistent with modern practice and requirements. The Bill is essentially an enabling one which confers upon Your Excellency in Council the power to make rules. I can assure Council that when those rules are due to be made reference will be made to the people who are most closely concerned.

Dealing with the clauses of the Bill very briefly, clause 2 merely defines

petroleum. Clause 3 ensures that petroleum shall not be handled except in accordance with the provisions of rules made under this Ordinance. Clause 4 limits the various heads under which rules may be made by Your Excellency in Council, and clauses 5 to 10 deal with the penalties which can be enforced for contravention of the rules, mainly in respect of the premises on which petroleum is kept, in respect of licences granted under the rules, and in respect of transport of petroleum. Clauses 8 and 9 particularly deal with ships carrying petrol within a port of the Colony. Clause 10 is a general covering clause for any contravention of the rules not covered by the preceding clauses.

If this Bill is enacted the Indian Petroleum Act, 1889, ceases to apply to the Colony and the Petroleum Ordinance will automatically be repealed under clause 11.

MR. FOSTER SUTTON seconded.

MR. NATHOO: Your Excellency, while supporting the Bill, I am sure that a large majority of the commercial section will beforehand require an undertaking or assurance from the Government that the free right of the people of importing this commodity against the present monopoly of the oil companies will not be restricted. I do not know what the present intention of the Government is, but I beg to submit that if the time has not come now it will come very soon when it will be desirable and essential that the importation of petroleum by independent persons should be encouraged, and for that reason, I beg to submit that this point should have consideration when enacting legislation.

MR. TROUGHTON: Your Excellency, in answer to the question made by the hon. member, the point of who shall or shall not import petroleum does not, I think, arise under this particular Bill, but so far as the Government is concerned it is aware of the desirability of encouraging importations of petrol from as many firms as can, having regard to existing conditions, be permitted to be granted import licences.

The question was put and carried.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Thursday, 14th November, 1946.

Thursday, 14th November, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 14th November, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 13th November, 1946, were confirmed.

#### ORAL ANSWERS TO QUESTIONS

NO. 55—PALM WINE ORDINANCE, 1943

ARCHDEACON BEECHER:

Will Government please give a report on the operation of the Palm Wine Ordinance, 1943, indicating the number of prosecutions and convictions obtained under its provisions? Is Government satisfied that the Ordinance has resulted in any appreciable control over excessive drunkenness and serious injuries resulting from drunken brawls? If not, what steps, legislative or other, does Government propose to take in order to bring the matter under control?

MR. FOSTER SUTTON: The Palm Wine Ordinance, 1943, has not yet been brought into operation. The reason is primarily that the staff necessary for the administration of the Ordinance has not up to the present been available.

Consideration is now being given by the Government to this matter and it is hoped that it will be possible to bring the Ordinance into operation and secure its effective administration at an early date.

ARCHDEACON BEECHER: Arising out of that reply, does Government acknowledge a deterioration of the position at the coast in respect of matters sought to be brought under control by the Ordinance?

MR. FOSTER SUTTON: I do not think it is possible for me to acknowledge that, but I do acknowledge that the situation is not satisfactory and it is occasioning grave concern to the Administration of the coast.

#### SCHEDULE OF ADDITIONAL PROVISION

NO. 2 OF 1946—THE 1946 SURPLUS

MR. TROUGHTON: Your Excellency, I beg to move: That Schedule of Additional Provision No. 2 of 1946 be referred to the Standing Finance Committee.

This is normally taken in this Council as a formal resolution, but the fact that it is on the order paper to-day gives me the opportunity of making a statement to the Council, which I feel it to be my duty to do, on a matter indirectly, though not directly, connected with the supplementary estimates for 1946, and that is on the subject of the 1946 surplus.

On that subject, when I was speaking on the Draft Estimates for 1947, I said the following: "This year, 1946, the approved Estimates show a surplus of £53,000. Hon. members will note, when they have an opportunity of reading the memorandum on the Draft Estimates, that the revised estimate of the surplus is £200,000. This is considerably more favourable than was indicated in departmental returns, which I feel were unduly pessimistic. Yesterday, however"—that is the day before I made this speech—"I received certain later figures from the Accountant General which indicate that the ultimate surplus may well be substantially in excess of the £200,000. I would point out, however, that it is difficult at this time of the year to form a really reliable estimate of the probable surplus".

I have since had an opportunity of going into all the figures available in detail, and I am satisfied that the surplus for the year 1946 will be in the region of £300,000, if not substantially more. The revised estimate of £200,000 was prepared before the customs returns for September and October were available, and on the basis of estimates of departmental expenditure supplied by departments.

Heads of Departments find it a matter of exceptional difficulty to provide close estimates of their actual expenditure at this time of the year and there may well be further savings. Moreover, we cannot estimate with any accuracy the customs revenue likely to be collected during the next seven weeks. We do not know what cargoes have been shipped or will be shipped, and we do not know what ships will actually fetch up at

[Mr. Troughton.]  
Kilindi before the new year. There is, therefore, quite a large amount of uncertainty, but despite this uncertainty I am personally quite satisfied that the surplus will be of the order of £500,000 at the least.

I must point out that this surplus will be entirely attributable to abnormal customs revenue, which cannot be regarded as recurrent. Once the purchasing power of the colony has returned to more normal levels we may expect a decline in customs revenue, and I am not prepared at this stage to say that the estimate for 1947 can or should be stepped up. Nevertheless, I felt that the opportunity should be taken on this occasion to make the position in regard to 1946 quite clear to hon. members, so that there can be no question of their debating the 1947 budget under any misapprehensions.

MR. FOSTER SUTTON seconded.

MR. WATKINS: Your Excellency, there is one question I want to ask about this surplus which I am not quite clear about. I will give one concrete example to show you what I mean. Does it mean that the expenditure which was passed last year for, shall we say, Mathari, of £32,000, because it cannot be spent is now regarded as part of that surplus? I should like to know. If that is so, how much of that £500,000 approximately, very roughly, is expenditure which has already been passed by Legislative Council, but which it has not been possible to spend. I think that is a very important point, because I regard Mathari expenditure, in which I am particularly interested, as one which has been approved by this Council, and I do not want to see it wasted.

MR. TROUGHTON: Your Excellency, in answer to the Hon. Member for Kiambu, the surplus consists of the actual cash revenue less the actual cash expenditure and if, for any particular reasons, expenditure which is voted by this Council cannot be incurred, then that does not count as expenditure. It is a contingent liability may be, which has got to be incurred at a later date, but the figures that I have been giving refer to the excess of the actual cash revenue paid out over the actual cash expenditure. Provision for the rebuilding of Mathari on a new site has been made—a matter of

£80,000, in the Estimates of the Development and Reconstruction Authority for 1947—so I think the hon. lady can remove from her mind any fear that money will not be available for Mathari.

MRs. WATKINS: Arising out of that, £80,000 is for the new buildings, but £32,000 extra we shall be wanting because that sum of £80,000 will only be a token vote for that building.

HIS EXCELLENCY: There will be ample opportunity during the debate on the 1947 Estimates to discuss this matter. I am afraid it is a little out of order at the moment.

The question was put and carried.

### RULES OF PROCEDURE

#### DIRECTION OF OFFICIAL MEMBERS

HIS EXCELLENCY: Before I call upon the Hon. Member for the Coast to move the motion standing in his name, I think I should say that, while it is a motion which the Government proposes to oppose, nevertheless it deals with the procedure and privileges of the Council, and hon. members on the official side of the Council can regard themselves as free to speak and to vote as they wish. It is a matter of the internal affairs of the Council, and I have no wish to influence them in any view they may take.

#### INFRINGEMENT OF PRIVILEGES OF COUNCIL

MR. COOKE: Your Excellency, I beg to move: That any undertaking given before a debate has begun—such as that given on the occasion of the motion on the Woods Report—that the motion will be withdrawn in the event of "considerable opposition" is an infringement of the privileges of this Council and is open to grave abuse, and that Government be requested to give an assurance that the incident referred to shall not form a precedent.

I make no apology for bringing this motion, for I regard the incident referred to as the culmination of a series of incidents during the past few years which have detracted from the dignity and the privileges of this Council. I should like to say to start with that I am very glad to have as my secondor the hon. member, Mr. Nathoo, for it was he and I who registered protests during the Woods debate

[Mr. Cooke]

against the procedure adopted by my hon. friend the Financial Secretary. It is right to remark that it is a matter which concerns us and concerns every race in this Council and every official or unofficial and every member, new or old, for I submit that in a multi-racial council, such as this we should be scrupulous that even a suspicion does not arise that our debates have been in any way rigged, or that we are susceptible of undue influence. It cannot be very many years before there will be several African members on this Council, and though they may have this green book (Standing Rules and Orders) to guide them, there is no doubt, I think, that it is example as much as precedent that will count.

To develop my argument, I should like just to go over a few of the incidents to which I have drawn attention, but I do not want to detract from the main argument I am advancing.

First, a few months ago Your Excellency had to admonish the general public for the applause which took place so often in debate, which was beginning even to take a partisan aspect, and then we have the increasing tendency of members to read their speeches and even to hand these speeches to the public Press, where they sometimes appear in a form somewhat different from that in which they have been delivered. Again, we have long-winded irrelevancies in the Council which not only are opposed to the rules of this Council (applause and laughter)—I expected that, and that is why I gave you warning at the start that I was developing my argument! (Laughter.) Then we have long-winded irrelevancies which are not only against Standing Rules and Orders, but are a waste of time of members of this Council. Then we had an incident the other day in which my hon. friend the Member for Agriculture, of all people, refused to give an oral answer to an oral question, which I submit was against Rule 24 of these Standing Rules and Orders, and was, in addition, slightly discourteous. But the point is this; that if we are going to leave it to the discretion of Government to give written answers to oral questions, it will leave wide open the door by which Government escapes from supplementary questions. At any rate, it will have that tendency. Last of all, we

have my hon. friend the Financial Secretary gallivanting all over the country and copying Mr. Gladstone in his famous Middleham campaign—and defending policies which "I submit should be defended in this Council alone."

These instances are merely given to strengthen my argument about the matter which is in the motion to-day. Hon. members will remember that before the Woods report was discussed the hon. gentleman opposite me gave an assurance that if there was considerable opposition the motion would be withdrawn. Now I say that, to give a promise like that, was to rob this debate of half its usefulness, for if you say beforehand to members "If you raise considerable opposition I will withdraw the motion", they will not trouble to develop their arguments, and half the usefulness of the debate will be defeated. If the hon. gentleman, as he contended, merely wanted to get an expression of opinion he might quite as easily have done so by bringing in a non-committal motion, such as expressing gratitude to the author of the report for a document which, whatever you may say, is logical and clear and fair-minded, and I think he would then have escaped even any suspicion of discourtesy to the author of this report and to this Council.

If we are going to have that sort of thing happening, if we are going to have this kind of what I can only describe as political poltroonery, it will give an opportunity to people to take advantage of the situation. And, sure enough, the shrewd editor of the *East African Standard* next day claimed that he had won the first round; and rightly claimed it. And, of course, the whole country was given an indication as to how the subsequent, and indeed the final round, might be won, for if my hon. friend was so susceptible to the eloquence of the hon. Member for Nairobi South, there was no measure, no depth of surrender, to which he would not sink if, for instance, the taxpayers of Nakuru barked at his heels! I did think that perhaps it was a case of—and I did hope that the hon. member was taking the view—"though dogs bark the caravan moves on". But, to paraphrase Mr. Churchill, "What a caravan, and what a hope!" because I understand now it is the intention of Government to make a further



[Mr. Cooke] concession to the reactionary influences in this country. (Laughter.)

Now I come to a more serious matter. I have to say that the hon. gentleman appears to have entered several days before into an agreement or an accommodation with the hon. friend the Member for Nairobi South, that the motion would be withdrawn. If you say, as in fact he did say, "If you make enough noise and promise nothing will happen", it is an invitation to all the dissident people of this country to make as much noise as possible. They would not be intelligent people if they did not, and the upcountry farmers of this country are very intelligent people. (Laughter.) They certainly have the intelligence to know how to tackle Government in an effective way. And there was great danger of misunderstanding, and in fact, that misunderstanding appears to have occurred, because the hon. gentleman on my right (Sir Alfred Vincent) appears to have understood my hon. friend to say not only that he would withdraw the motion, but that he would not enforce or implement any of the recommendations of the Woods Report in face of opposition. And that accounts for the incident that took place in this Council, because my hon. friend, from information that I have to hand and from my visual observation during his speech, appeared to read these important passages and to have handed the draft of his speech to the editor of the *East African Standard*, who, of course, in all his innocence, published the draft as written, but omitted to put in the interjection by the hon. Financial Secretary, that very important interjection. And it is a very remarkable thing that, although one would have thought that interjection was a matter of some importance, even the hon. gentleman, until I drew his attention to it and the attention of my hon. friend on my right, had never even noticed that the interjection had been omitted. Even on the next day the *East African Standard* had not published that interjection! It shows why misunderstandings do occur in this country, and I must say I think it is a most incredible thing, for one would have thought that the first thing both gentlemen would have done would be to read the *East African Standard* to find out whether that inter-

jection had been published, but it was on my initiative, and mine alone, that the hon. Financial Secretary made that explanation—I thought rather reluctantly—the following day.

I am going to ask the hon. gentleman one plain question, and I think that question is susceptible of a plain answer, and I am also going to ask the hon. gentleman on my right (Sir Alfred Vincent) a question. I am going to ask my hon. friend the Financial Secretary, if in fact, he did give the assurance to Sir Alfred Vincent that he would not implement the recommendations of the Woods Report in the face of considerable opposition. And I would ask the hon. Member for Nairobi South if he will tell me, in equally plain terms, why he gathered the impression that the hon. gentleman had given that promise, for it is recorded in the newspaper report which I have here that he was under that impression.

I have no doubt that my hon. friend the Attorney General, whom I have seen making a few notes, will try to quote some precedent from the House of Commons and possibly he will bring up some other legal matter, but I can find no precedent. There are precedents, of course, where the Opposition in the House of Commons would bring up matters of general interest and then, when the motion has been discussed, will withdraw the motion if they are satisfied. But I defy my hon. friend to find any precedent, either in the House of Commons or in any colonial legislature, where the Government has brought up a motion on a very controversial subject and has promised to withdraw it if there is opposition, before the debate even begins. If that happened in the House of Commons the obvious thing would be that the Opposition would press for a division, and the Government would either have to eat its words or to be defeated on the division.

I have nothing more to say. I know that among certain sections this motion is not popular, but I feel that, if you, sir, are going to allow yourself or your Government to be deterred by clamour in this country, your Government is running a grave risk that other sections of the community might take a lesson from the success which has been won by one section, and we cannot afford to do

[Mr. Cooke] that in a country like this of mixed races. I submit that there is no real answer to what I have said. Whether you take the rules of this Council or whether you are guided by the practice of the House of Commons, that is to say, "In all cases, not herein provided, resort shall be had to the rules, forms, usages and practices of the Commons House of Parliament . . ." I submit that the answer must be that the hon. Financial Secretary has gravely infringed the principles of this Council.

MR. NATHOO: Your Excellency, in seconding the motion I should like to say that, as a layman, it seems to me that no useful purpose could have been served by calling a special session of the Council, putting before them this report, and then, before members have had time to develop their arguments, declaring from the Government side that the motion was not being put to the vote, in addition to the fact that while an authority such as Sir Wilfrid Woods had been brought out here, with all the expenditure entailed, and had gone into all the details of the work for which he was called, the Government did not even wait to see what an exhaustive debate in this Council would reveal to them about the findings of Sir Wilfrid Woods.

This declaration by the hon. Financial Secretary may have been put forward first because the Government itself had not made up its mind whether it was in favour of this report, and, secondly, because there might be considerable opposition to this motion. If the reason was primarily the former, I submit that there was no need to call a special session of this Council, but we should have waited for the budget debate and just put the report on the table for whatever it was worth. If the reason was the second, then I think Government has shown a very weak attitude. I think that procedure such as this has robbed the report of any usefulness it might ever have had.

I will only say this, that in future if this is going to be the procedure I do not think any useful purpose can be served by bringing such experts out here to make reports.

MR. TROUGHTON: Your Excellency there is only one point raised by the hon.

member with which I wish to deal. He asked me a straight question and asked for a straight answer. His question, if I got him right, and I will ask him to correct me if I am wrong, was, "Did I ever at any time give the hon. Member for Nairobi South an assurance that the Government would not impose or attempt to impose taxation against the wishes of the people of the country? Is that correct?"

MR. COOKE: Did the hon. member in this particular instance, that is, in connection with the hon. member, give no assurance that the recommendations of the Woods Report would be implemented?

MR. TROUGHTON: Did I give no assurance? The answer to that, sir, is that I gave no such assurance at any time, either to the hon. Member for Nairobi South or to anyone else.

SIR ALFRED VINCENT: Your Excellency, I am afraid that the Council is rather resolving itself into a court of law this morning, but if I am in the witness box at the request of my hon. friend on my left (Mr. Cooke) I should like to confirm what the hon. Financial Secretary has said. But surely it was up to me to interpret what the hon. member said in debate in order to clear the position? And I still maintain that if Government say that they are not going to press a motion and in the face of opposition are going to withdraw it, I still think that, to my mind, one can fairly interpret that as meaning that the findings of the report will not be forced on the country by the Government. That was my interpretation of what the hon. member said in this Council.

MR. FOSTER STUTTON: Sir, before getting down to what I understand to be the burden of the complaint of the hon. Member for the Coast, I should like to make one reference to a remark that he made about the hon. Financial Secretary glibly talking all over the country. He often makes that type of statement with a smile on his face, but they usually have a sting in the tail, and if he chooses to make them I think he must expect a similar retort. He knows as well as I do, and we all know, that all my hon. friend has been doing is to go around at the express invitation of hon. members on the other side of this Council to the various constituencies to explain and

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help the public in understanding the budget, and I think that it comes with pretty poor taste, if I may say so, sir, from the hon. member for that sort of remark to be made (hear, hear) when he knows perfectly well why my hon. friend had been going round the country.

He has had a straight answer to the question he put to the hon. Financial Secretary and the hon. Member for Nairobi South, so that I do not think it is necessary for me to deal with that aspect of the matter. But I must deal with his complaint that the privileges and dignity of this Council have been infringed, and in order to deal with it I think it necessary to examine exactly what happened.

The hon. Financial Secretary said very early in the debate: "I should say straight away that Government has taken no decisions whatever on the proposals in the report, and that if any considerable opposition to these proposals is expressed in this debate it is not the intention of Government to press this motion to a division, but I would ask the leave"—and I emphasize that—"but I would ask the leave of the Council to withdraw it." It seems to me that Government can never be right. We are frequently accused of using the big stick or steam ruller things through Council, and on an occasion when, as the hon. Financial Secretary said, Government desired to give the elected representatives of the people of this country an opportunity of debating and expressing their views on the Woods Report, we are accused of abusing the privileges of the Council. I admit that the correctness of the procedure may be debatable. We may not have adopted the strictly appropriate method—that is a matter of opinion, and it is observed that it is easier to be wise after an event than before it. But my friend made it perfectly clear that the object of the debate was to give members on the other side of Council the opportunity of expressing their views on the report, and if we are going to quarrel about the terms of the motion I think we are wasting the time of the Council. He told Council exactly what we were proposing to do. Surely it was courteous and proper, if that was Government's intention, for my hon. friend to make that statement at the earliest possible

opportunity. Otherwise, had he not done so, I have no doubt that probably even from the same hon. member who moved this motion we should have had a complaint that we had been fooling this Council, that we had made up our minds long before and why on earth did we not tell them. I submit that it was the courteous thing to say straight away that "If there is considerable opposition, the object of the debate being to obtain expressions of opinion, the views of the elected representatives of the people on the report, that Government is not steam ruller the motion through".

But what is the main burden of this complaint? Let us examine whether it is a fact that there has been an abuse of the privileges and dignity of this Council.

When the hon. mover got up he said this: "I should like to join with the hon. member Mr. Nathoo in his remarks about it being a pity that the hon. Financial Secretary showed his hand so soon, and I would go even further and say, that I think it is to be deprecated that he showed his hand at all", so that the hon. Financial Secretary must have been wrong whatever he had done! (Laughter.) Then we find that at the end of the debate the hon. Financial Secretary—and I venture to submit that if anybody has done anything to affect the dignity of this Council or to impose upon the privileges of this Council it is the mover of this motion—at the end of the debate the hon. Financial Secretary said this: "I seek the leave of Council to withdraw this motion", and that was unanimously agreed to by the Council.

It is a rule in the House of Commons that any member who has proposed a motion can only withdraw it by the leave of the House, granted without any negative voice. This leave is signified not upon question, as is sometimes erroneously supposed, but by the Speaker taking the pleasure of the House, which was done on this occasion by His Excellency the President. If the hon. mover of to-day's motion really took exception to it at that stage of the proceedings, that was the proper time for him to have made an objection, and had he objected that motion would have gone to a division and members given an opportunity of saying "Yes" or "No". But he omitted to take that opportunity. Instead of that, he has chosen this procedure, which has

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taken up to date 40 minutes of the time of the Council. The seconder supports the mover, and he said a thing that, if he will pardon my saying so, I could not help being slightly amazed at. It was in effect that Government were trying to shut down the debate and put members off before they had had an opportunity of developing their arguments. Is that true? We were all present during this debate, and is it not a fact that everybody said all they had to say on this matter? All I can say, with the greatest respect to the hon. seconder, is, if he will pardon my using that expression, that I think it a pretty feeble effort to suggest that any member of this Council is going to be put off his stroke and abstain from his duty merely because Government has intimated that it was not going to use the big stick and force the motion to a division.

Mr. NATHOO: On a point of explanation, I never meant to say that Government had either stifled or stopped any development of arguments, but that the very statement of the hon. Financial Secretary at the outset robbed the debate of all its sting and the initiative of the members to delve into the report.

Mr. FOSTER SUTTON: I am grateful for that explanation, but I do not think it is in accord with the facts of the case, as in point of fact members expressed themselves in considerable detail on that report, and if any hon. member can honestly say he was stopped or prevented from fully expressing his opinion I shall have to withdraw the remarks I have just made. But I do not believe it to be a fact.

The other point that was made in connexion with any conference or conversation which passed between the hon. Financial Secretary and the hon. Member for Nairobi South, answers have been given, but I would like to say this. Both members are members of your Executive Council, sir, and as I have already said, any decision taken on such a matter is the decision of Your Excellency in Council, and if there is anything improper in members of that Council discussing a matter all I can say is that the whole procedure of having an Executive Council is completely useless. (Mr. Cooke: It makes it worse.)

With the greatest respect to the hon. mover, I venture to submit, and hope the members of this Council will agree, that there has been no attempt to interfere with the privileges or dignity of this Council, adopting the course it did Government acted perfectly properly, in a courteous manner, and in a manner hon. members on the other side expected us to act, and if there has been any abuse of the privileges and dignity of the Council I venture to submit that it has been committed by the hon. mover of this motion.

Mr. NICOLO: Your Excellency, I had not intended to intervene in this debate, but when the remark was made concerning the hon. Financial Secretary going around the country I think a word is needed. I personally asked my hon. friend to come down to my constituency and explain matters to the members of that constituency, but unfortunately he was unable to do so. In his going around and explaining the budget there is really no new principle at all, because we have had occasions when difficult bills have come before the country and members and heads of departments in charge of those bills have gone round and explained them to the various people concerned, and it has been a very valuable help. I sincerely hope that hon. members opposite will not feel that they should not in future go round and help us on this side to understand difficult matters.

Mr. VASEY: Your Excellency, I did not invite the hon. Financial Secretary to come to Nairobi and speak from my platform, but that was not because I did not think it was good for Government to explain their policy but because I considered he is far too dangerous an opponent to offer a free platform to. (Laughter.) I sincerely trust that Government will never hesitate to send its representatives out into the constituencies to give the people a chance of hearing personally the explanations of things which are too difficult very often to report at great length in the Press.

In the main, I should like to associate myself with the remarks of the hon. Attorney General. As far as the question of stifling expressions of opinions, the hon. Financial Secretary said: "This debate is in the nature of a *ballon d'estafette*, because Government feels it is far better,

[Mr. Vasey] when putting in budget in final form and formulating its revenue proposals finally, to have a clear indication before all of the views of the hon. members on the questions raised, and I therefore ask hon. members to keep fairly strictly to the Woods Report". I feel that most hon. members complied with that request to give their opinions, even though they did not adhere strictly to the report, and that they had no hesitation in giving their opinions. The volume of Hansard which I have in my hand, which covers some 65 pages, is practically completely covered by the debate on the Woods Report. The only criticism I have was that perhaps it was wrong that the undertaking should have been given beforehand, inasmuch as it might have created an atmosphere of unreality. I could not support any motion which suggested that Government should not follow the procedure of putting a subject before Council in order to have it discussed and get comments without being placed in the unpleasant position of having to face a division which would have been the subject of considerable opposition.

MR. WATKINS: Your Excellency, I rise to support most of the things the Attorney General has said. I feel, perhaps, that this is a case of fools rushing in where angels fear to tread, but being a born fool it does not much matter!

I do want to say right out here in public that I welcomed very much the way that this Woods Report was debated here, so that the junior members as well as those on Executive Council could know and see what was being felt and said about it. It was one of those rare opportunities when Government became human and treated us as responsible people. They are far too rarely human, collectively, and therefore I do very much deplore the vote of censure that my very good friend on my right (Mr. Cooke) has tried to pass on one of those rare occasions. I very much appreciate that in the constituencies we were given a chance to debate it and that the Woods Report was so debated and that we were informed beforehand that it was not going to be pushed against us. Of course, it is very difficult to be strictly appropriate with all your remarks and opinions

on so wide a subject, and that is probably why most of this debate, or quite a lot, has been off the point.

I do want to say that when I asked the Financial Secretary to come to our constituency he did not choose to come, although I asked him, because he did not choose to accept an apology, which I rather regretted, as it referred to something which happened without my knowledge and without my consent. However, I did invite him and it was not my fault that he did not come. I think it is very useful when he, and perhaps also particularly the Labour Commissioner, come round, and I hope very much that Government will see on this procedure of helping us to understand and treating us as responsible human beings. We have had too much of the big stick and too much of the steam roller. I very much appreciate what Government did in connexion with the Woods Report, and so do my constituents, and I want the country to know it.

MAJOR CAVENDISH-BENTINCK: Your Excellency, I only rise because my name has been brought into this discussion in reference to a reply given to a question put by the hon. member. If I remember rightly, what occurred was that the answer was somewhat complicated and lengthy, and it was the intention of Government that a stencilled copy of that reply should have been circulated to members. The reply was made admittedly in writing. That that did not happen was owing to a slight fault in the machinery of the Council, but every member did receive his copy within an hour. In future, as far as the departments coming under my purview are concerned, if it is the wish of hon. members to have oral answers, however long and indeliberate they are, they will be given oral answers.

As regards the rest of the debate, I was not present when the Woods Report was discussed and therefore I cannot say very much about that particular happening to which this debate refers. I am, however, one of the oldest members of this Council—the father is, I think, my hon. friend the Member for Aberdare—and on a good many occasions without, I think, in any way degrading the privileges of members, opportunities have been given or sought for general opinions on important subjects to be expressed throughout the colony, and I am

[Major Cavendish-Bentinck] quite sure that if Government on this occasion had not given that opportunity such omission would have been commented adversely on by hon. members on the other side.

All I can say is that it seems to me from the wording of the motion that what the hon. Member for the Coast contends is that when Government disagrees with him and pursues the course advised by the majority it is wrong in that it should have used the steam roller, and when Government agrees with him it is nevertheless vacillating and rather feeble! (Laughter.)

SIR GILBERT RENNIE: Your Excellency, there is just one point I should like to make a remark upon in case, by my omission to do so, the hon. member Mr. Nathoo, or indeed any other hon. member, may be under a misapprehension. The suggestion was made by the hon. member Mr. Nathoo that, in effect, the procedure adopted in respect of the discussion on the Woods Report was a waste of time, and he went on to say that the Government should have waited until the budget debate and should then have laid the report on the table of this Council. Well, if we had adopted that procedure I can well imagine that perhaps during the budget debate, or perhaps five years from now, or fifteen years from now, we should have been reminded of the promise that the Government gave in the early months of this year, that this Council would be given an opportunity of debating the Woods Report during the months of August and September. (Applause.)

MR. COOKE: Your Excellency, with reference to the remarks of the hon. Member for Agriculture, I am afraid he does not quite understand the situation. He talks about complicated and lengthy replies. It is quite true that the reply was about half a page, but my quarrel with the hon. member is that he departed from the custom of this Council by not coming to me first and asking would I mind, or would I object, if he gave a written answer to my question. That would have been the proper procedure to have adopted and, if he had done so, naturally I would have agreed with his proposal. As it happened the reply was not even circulated, but that was a mistake and I blame no one. I allege that

the hon. gentleman was discourteous in not consulting me prior to taking the action he did.

To deal with my hon. friend the Attorney General, I have never heard a speech delivered by my hon. friend—and he is really my friend—so full of quibbles and so completely unable to meet the points that I had made. As the hon. gentleman well knows, I used that remark about the "gallivanting all over the country" because I was totally unaware of the fact that it was arranged the hon. gentleman should visit constituencies, since for many months past I have dissociated myself from members on this side on account of their continuous attacks on his own Government! When I heard that this gallivanting was going to take place I went and saw my hon. friend the Attorney General, and I said to him that I thought it was improper and, without repeating any private conversation, but the hon. member will not object to my saying that he agreed and said it was a matter which he would take up with the hon. Financial Secretary. I do not think that can be denied. I went to see my hon. friend the Financial Secretary also, and I objected personally to him. I then wrote a letter to the hon. Chief Secretary protesting against this, which I submit, and no one has proved it is not, is a departure from the custom of the official members of this Council.

MR. FOSTER SUTTON: I think I am entitled to make a personal explanation. When the hon. member, I think he will agree, mentioned this matter to me it was mentioned on the footing that it was going to be a sort of budget debate in the constituencies. The hon. Financial Secretary made it very clear up a very early date that that was not the intention and that it was merely a case of explaining the budget. The hon. member probably does not read the newspaper, but I remember reading the other day one hon. member stating at a meeting which was reported in the Press that he himself had expressly extended an invitation to my hon. friend, so it is common knowledge.

MR. COOKE: The hon. gentleman is perfectly right in what he says, but he has not given the whole truth. He has not, for instance, said that I warned Government and warned him that, al-

(Mr. Cooke) though the hon. gentleman might go round explaining the budget, there was a great tendency, as I know this country pretty well, that when he started explaining the budget he might be involved in political matters, which was highly undesirable. It was subsequent to this interview that the hon. Financial Secretary clarified the position.

The hon. gentleman has made no attempt whatsoever to answer the gravamen of my charge. Of course, there has been a lot of irrelevant discussion to-day about whether the Woods Report should have been discussed or not, and when the hon. member Mr. Nathoo said that it should not have been discussed, of course, he did not mean that; what he meant and what every intelligent person would have understood from what he said, was that it should not have been discussed if Government was going to say at the start that they would withdraw the motion. That, of course, is the gravamen of my charge, and the hon. gentleman has made no attempt to answer that, because I defy any intelligent person in this Council to deny that, if you tell the opposition to start with that you are going to withdraw the motion in the face of "considerable opposition" that is inviting the opposition to put up considerable opposition, and that in they took away from the debate any sense of reality it might have had, and I consequently think it was the worst debate I have ever heard in this Council. It was the sort of thing you might get from a number of school children discussing a matter in school! It is certainly the worst debate I have heard. That was because it was robbed of all reality.

The hon. gentleman, in his legal way, talked about showing one's hand early in the debate. Well, my whole charge is that he did show his hand, but he did not have any cards up his sleeve like Mr. Gladstone, admittedly, but he did show his hand. It would not have mattered a bit his showing his hand at the end of the debate, but the fact that he disclosed the nakedness of the hand when he first started the interview, my charge against the hon. member has not been answered. I will not deal with the smaller fry because they were irrelevant mostly. (Laughter.) I do not think I should have made that remark!

Most important of all, I was not satisfied quite frankly with the reply of the hon. member for Nairobi South. Here is what he said in italics, and it is what was repeated from the draft report which was sent, which he has not denied, to the *East African Standard*: "We have the assurance of the Financial Secretary..."—this was written days before the debate, I submit—"that Sir Wilfrid Woods' Report has not been accepted in any way by Government and that Government will not attempt to force its conclusions on the country. Therefore..."—that is the important word, because that is where the interjection took place, before the word "therefore". That interjection is not recorded in the *East African Standard* report. It was recorded next day, but the mere fact that the hon. gentleman said "therefore" showed he was drawing his conclusion from those alleged assurances. There can be no doubt that he received the impression from the hon. gentleman, whose explanation of course I naturally accept, he had received that impression from the hon. gentleman in the interview, that the hon. gentleman was prepared to withdraw any support of the Woods' recommendations. I defy the hon. Attorney General, with all his legal acumen, to defeat me on that point. If he wishes I will sit down now and let him, if Your Excellency will permit, make an explanation, but, of course, there is no explanation to be made, and my hon. friend knows perfectly well there is no explanation that can be made.

That is the reason I brought this motion. I do not want to embarrass my hon. friends on the other side of Council, because I know that quite a few of them agree with my expression of opinion, but I make this sporting offer to Your Excellency that all the proceedings of this morning, together with the debate on the Woods' Report, should be sent to the Speaker of the House of Commons and that he should be asked to decide whether these proceedings have been proper or have been dignified and in accordance with the rules of this Council. I am perfectly prepared to abide by his decision. I do not want to ask for a division because I know it will be awkward for my hon. friends, but I do give you that offer, to ask the Speaker of the House of Commons to decide who has been wrong in this matter.

HIS EXCELLENCY: I am very gratified to learn that there is one human being whose decision the hon. member is prepared to accept. (Laughter.)

MR. COOKE: I object to Your Excellency's remarks:—

HIS EXCELLENCY: Sit down, please.

MR. COOKE: Perhaps later on you will allow me to make a remark?

HIS EXCELLENCY: The hon. member has made all the remarks he is entitled to make in this debate. (MR. COOKE: Then I shall make them in the public Press, sir.)

The question was put and negatived by 30 votes to 5:—Ayes: Messrs. Cooke, Nathoo, Patel, Pitam, Thakore, S. Noes: Archdeacon Beecher, Mr. Bouwer, Mr. Boyd, Major Cavendish-Bentick, Messrs. Edye, Hunter, Hyde-Clarke, Major Joyce, Major Keyser, Messrs. Killick, Lindsay, Lord, Marchant, Mburak Ali, Hinawo, Dr. McLennan, Messrs. Mortimer, Mundy, Nicol, Patrick, Sir Gilbert Rennie, Sir R. E. Robins, Messrs. Robbins, Stacey, Foster Sutton, Troughton, Vasey, Sir A. Vincent, Mrs. Watkins, Mr. Willbourn, Mr. Wright. 30.

## MIRAA CONTROL BILL

### SELECT COMMITTEE REPORT

MR. FOSTER SUTTON: Sir, I beg to move: That the Select Committee report on the Miraa Control Bill be adopted.

Hon. members will remember that this Bill was introduced into this Council a considerable time ago, and on its second reading it was decided to refer it to a select committee. That committee consisted of myself, the then Provincial Commissioner of Central Province, the hon. Member for the Coast, the hon. Member for the Eastern Area (Dr. Rana) and the hon. Member for African Interests (Mr. Mathu). We realized, if I may say so, that the result of our deliberations, if our report was adopted, was that it would create a monopoly in the Meru district to grow miraa. This drug is indigenous in certain places, it grows all over the country, and considerable quantities I am informed by the Conservator of Forests are found in forest areas. We realized that, by prohibiting the growing of it, it does not mean that by one

sweep of the pen we can get rid of it in all areas other than the Meru district, but we are trying to limit its growth and by progressive steps its growing except in specific areas where it can be controlled. If it is allowed to grow all over the colony, control is almost impossible.

We took the opportunity of asking a doctor in the medical service of the colony, Dr. Heisch, who has had considerable experience of this drug, and he gave as examples of the effect the drug has on people who habitually use it. We were satisfied that the habitual use of it resulted in mental and physical deterioration, complete mental and physical deterioration. It is a most pernicious drug and the committee felt, after hearing his evidence and his personal experiences over a course of years with people who are habitual users of it, that we must take drastic steps to try and confine its growth to this particular area, and we hope ultimately to abolish it altogether, but that is a very long term policy. I know that certain objections will be raised, because by our report we are attempting to create, not intentionally, a monopoly in the growth in the Meru district. The original bill only allowed this drug to be cultivated and disposed of and consumed by natives in the Meru district; it allowed no one else outside to use this drug. We have considerable evidence before us which indicated that there are people all over the colony who use it and have been in the habit of habitually using it, and medical evidence was to the effect that if you suddenly shut down on those people who are accustomed to using the drug and say they can no longer have it, they will go insane and become completely and utterly demoralized.

So we suggested that the bill be amended in the way set out in the report by inserting a new sub-clause (4) to clause 3, which reads: "any District Commissioner may grant a permit in writing to any person (a) other than a native of the Meru district, to purchase miraa; (b) to sell miraa to any person other than a native of the Meru district; (c) other than a native of the Meru district to be in possession of miraa; (d) other than a native of the Meru district to consume miraa; if he is satisfied that such person has been habitually accustomed to consume miraa, and in granting

[Mr. Foster Sutton] any such permit the District Commissioner may impose such conditions as he may think fit". This provision is intended to cover the cases of people outside the district who habitually consume and use this drug. It introduces a degree of flexibility which we felt to be essential. To be perfectly frank, our recommendation does in fact confine the growth of this drug to this particular district.

We know perfectly well that the bill cannot be enforced straight away; it will take a long time to eventually confine the growth of the drug to a particular area. It is intended by the report that the native authorities in the Meru district should be able to control the growth, consumption, sale and so on. They will naturally be subject to any special directions issued by the Provincial Commissioner of the Province. I do not think that I can usefully say any more—it is a very short and simple measure.

MR. STACEY (Acting Solicitor General) seconded.

ARCHDEACON BEECHER: Your Excellency, with your permission I will only detain Council a few moments.

I would ask for two assurances. The first has, to a very large degree, already been given by the hon. Attorney General. I ask this primarily on behalf of the inhabitants of very considerable areas where *galla edulis* is one of the most prolific flowers of the country. Incidentally, it may help Your Excellency and certainly the Forest Department because, if I am not mistaken, there are trees of it in Government House grounds—certainly in the adjacent Aboetum, deliberately planted by the Forest Department. Leaving that on one side, I would ask that the penal sanctions which clause 4 seeks to impose, together with those in clauses 3 (1) and (2) be not pressed to the stage of prosecution at the present time. Eradication would involve the Forest Department in very considerable expenditure, and it would be wholly wrong to prosecute the ordinary inhabitant of an area where miraa was not used for the purpose of a narcotic. I ask that Government accept the suggestion to leave it to local native councils to suggest the methods for the

eradication and control, rather than that prosecutions should be instituted, which really is what the new first part of clause 3 (1) suggests.

Secondly, as the hon. mover has indicated, this bill virtually grants a monopoly of the sale of miraa to the inhabitants of the Meru district. I venture to suggest that it may be necessary for that monopoly, at least for some time, to be extended. I first came across this plant and collected it to test its narcotic qualities (I hasten to add that I did not become an addict) in the Mberere district, where it is not only an article of regular commerce to a small degree, but also I believe is used ceremonially. That district is a considerable one and is outside the Meru district, and it may be necessary for clause 3 (2) to be extended to include the Mberere as well as the Meru district because, in my submission, (4) of clause 3 is inadequate to deal with the possible needs of that district.

I do not propose to hold up or suggest holding up the select committee's report at this stage, but merely ask for these undertakings to be given by Government, namely that prosecutions will not be instituted against inoffensive persons who happen to have it growing on their land, but rather that the local native councils should suggest methods for its eradication and, secondly, if any case is put to the Provincial Commissioner of the Central Province for an extension of that monopoly to other districts than Meru, then Government will give it their fullest consideration. I would only add that I am fully in support of the measure, which is designed to eliminate by reasonable stages what I acknowledge to be a most dangerous narcotic.

MR. FOSTER SUTTON: Sir, I find myself in some difficulty about this. I, of course, can give an undertaking very easily that the Crown would not prosecute in the circumstances envisaged by the last speaker, and if the report is approved I will give that undertaking. But I think it is a very dangerous thing. We have got to make a start to try and prevent the growth of this plant and to eradicate it, and the select committee were fully conscious of the fact that they were creating this monopoly to grow, and, frankly, we did not like it. But it is a difficult problem—Unless one con-

[Mr. Foster Sutton] find the growth to a particular area it seems to me that you have absolutely no control.

I readily give the undertaking that the question of prosecutions will be carefully examined before any are taken, and I will issue instructions to the police that none is to be undertaken without receiving my sanction to prosecute in the first instance, but I do not think it is very satisfactory.

I am inclined to ask Council whether this motion could be adjourned and the bill referred to the committee of the whole Council, when it might be possible to amend the clauses to allow a greater degree of flexibility. If Council agrees, it can be referred to committee of the whole Council. I think it requires the consent of ten members to do so. If we did that we could consider the matter again with the hon. Member for the Coast, who is a member of the select committee, and with the present Provincial Commissioner of the Central Province, and we might be able to devise some amendment that would meet the hon. member's point.

ARCHDEACON BEECHER: Your Excellency, by way of explanation, I made it clear that I did not wish to hold up the passage of this report, but merely threw out the possibility that the Provincial Commissioner, Central Province, might find it necessary to ask for an extension of that monopoly, and that would involve an amendment to the law at a later stage. I am perfectly content, having received the first undertaking, that prosecutions would not be undertaken in an arbitrary manner, I am perfectly prepared for the report to be adopted subject to the possibility that the Provincial Commissioner, Central Province, will have to make representations in respect of the Mberere area.

MR. FOSTER SUTTON: That being so, I will give a definite undertaking that I will discuss the matter again with the Provincial Commissioner and with other interested persons and my colleagues on the select committee. If it is then considered desirable, I will give an undertaking that it will be done at an early date.

ARCHDEACON BEECHER: Thank you.

MR. COOKE: May I point out that the Provincial Commissioner, Central Province, is *not* *at* the moment as far as this Council is concerned, so that he could not properly be a member of the select committee?

MR. FOSTER SUTTON: I agree. My idea is simply to co-opt him for his advice.

The question was put and carried.

## HOSPITAL SERVICES (EUROPEAN) BILL

### SELECT COMMITTEE REPORT

MR. FOSTER SUTTON: Sir, I beg to move: That the select committee report on the Hospital Services (European) Bill be adopted.

The report of the select committee was made after the committee had considered a large number of representations made by members of the general public and by public bodies in this colony. We met on two occasions, but we took some considerable time during those meetings in considering the amendments that we should recommend. I do not know if hon. members have the original bill before them, because there are so many amendments recommended that I think it would be difficult for them to follow unless they have. If they have not, with your permission, sir, I think it might assist hon. members if when I consider it necessary and helpful I read the original provision and then referred to the new provision that we suggested.

Dealing with the details, we first of all recommend that the definition of "contributor" in clause 2 be deleted and a new definition substituted therefor. The old definition read: "contributor" means any person who is liable under the provisions of section 12 of this Ordinance to contribute to the Fund, his wife and any child who is maintained by such contributor as a member of his family." The important word there, I think, is the word "such." We feared that if it was allowed to stand as originally framed it might be argued that it referred only to a husband, his wife and children; whereas we know perfectly well that, under the measure, we shall have cases of widows who are contributors, probably women who may have children; probably single women who may adopt children and maintain them as members of their family, and we felt that it should

[Mr. Foster Sutton] to be made abundantly clear that any person who contributes and is, in fact, maintaining a child as a member of his or her family, should receive in respect of that child the same benefits as those conferred in other cases. That was the object of that amendment to clause 2.

We suggest the definition of "hospital" be amended by deleting the words "Government hospital, and any other", which really are redundant, because later on the Authority is empowered by notice published in the Gazette to declare any particular hospital to be a hospital for the purposes of the measure. We also suggest a minor amendment to the definition of "hospital treatment" by deleting in the first line the words "and attendance". It read: "hospital treatment" means all nursing care and attendance afforded in any hospital to a hospital patient; maintenance in a hospital of any such patient and such other treatment and facilities as the Authority may, from time to time, prescribe. It is not intended in the early stages of the operation of this legislation that medical attendance should be given. We do not think that contributions from the public and from general revenue will be sufficient to cover medical attendance, but it is hoped that later on it may be possible to afford contributors medical attendance. The Hospital Authority at a later stage will be able to prescribe medical attendance, but we do not wish anything at the present moment to be left in the measure which might enable anybody successfully to argue that they are entitled to it at the commencement.

The really important amendments are to clause 3. We suggest that clause 3 (2) (a) be amended by inserting after the words "Member for Health and Local Government" the words "who shall be Chairman". At first, hon. members will think that it was the intention that the chairman should be elected, but after considerable debate and consideration the committee came to the conclusion that for several reasons he was the proper person to be chairman of this Authority, the main reason being that there is a considerable amount of day to day business to be carried on and it would be almost impossible for a chairman other than my hon. friend the Member for Health to carry out effectively that day

to day business. We were unanimous in the end on that recommendation; also it was agreed to by some unofficial members in the light of further recommendations for amendment of this particular sub-clause.

As regards clause 3 (2) (b), we suggest inserting "Member for Finance or a person appointed by such member by notice published in the Gazette". It was always intended that there should be a financial member appointed by the Government on this Authority. It was considered desirable and necessary that the Member for Finance will be a member, or some person nominated by him. Then we suggest deleting paragraphs (c), (d), (e), (f), (g), (h) and (i). (c) read: "three persons, one of whom shall be a woman, to be appointed by the Governor"; (d) read: "one European elected member of the Legislative Council of the Colony to be appointed by a majority of the European elected members of such Council present and voting at a meeting of such European elected members convened for such purpose"; (e) read: "one person to be appointed by the Kenya Branch of the British Medical Association"; (f) read: "one person to be appointed by the Board of Nakuru War Memorial Hospital"; (g) read: "one person to be appointed by the Board of the Eldoret Hospital"; (h) read: "one person to be appointed by the Board of the Kitale Hospital"; (i) enabled "such other persons as the Governor, on the recommendation of the Authority, may, from time to time, appoint". The object was to cover any new institutions or bodies that might be created after the enactment of the measure.

From what I have just read out it is apparent that there were a number of persons appointed as members of this Authority from different bodies, and after considerable discussion and very careful consideration the committee came to the conclusion that this division of authority was unwise and undesirable, and we therefore recommend that this should be cut out and that all the unofficial members of the Authority should be appointed by the European elected members of this Council. In other words, they will have the power of appointment, and they will also have the power, under our recommendation, of dismissal. It was considered better—after all, they

[Mr. Foster Sutton] are the people that have to vote the finance for it from public revenue. They have to lend their support and vote the money from revenue to support this Authority. We felt that it was far better to have one body responsible to the general public for the proper administration of the Authority. Therefore, as I say, we recommend that all the other appointments should be made by the European elected members.

Most of the other amendments to that clause are consequential. We suggest in sub-clause (4) that members of the Authority who are elected should hold office for a period of three years instead of two. We suggest that increase in the interests of continuity of policy. I would point out that the new sub-clause (4) of clause 3 enables the European elected members to dismiss any appointee of theirs if they so desire. The amendment to 3 (6) is consequential. The deletion of 3 (8) is consequential to the amendment we suggest to 3 (3). In clause 5 we suggest that the words in lines 2, 3 and 4 "has obtained leave of absence from the Governor, or is absent on duty, or on leave, or is incapacitated by sickness or other cause" be deleted and that we substitute the words "is absent from the Colony, incapacitated by sickness or unable to attend for any other cause". We thought that for the chairman to have to obtain the leave of the Governor on every occasion was a cumbersome procedure and really unnecessary.

We suggest rather an important amendment to clause 7. The original clause 7 allowed the Authority to appoint committees to whom they could delegate any of the functions that they have under the ordinance. We wanted it to be a little more flexible, and suggest that we empower the Authority, by resolution, to delegate to any person any of the powers conferred upon it by this ordinance, so that there would be a responsible body and we felt that they ought to have the power to delegate any of the Authority's power to any other authority, such as the Member for Health and Local Government. The day to day business will have to be carried on and it was thought far better that they should have that power.

There are some amendments in clause 8 to which I think I ought to draw the

attention of Council. We suggest the deletion of the original clause and the insertion of a new one. It contains some amendments and it has been slightly rearranged. The original sub-clause (4) read: "To pay an allowance not exceeding fifteen shillings per diem for such period as may be prescribed, towards the cost of fees incurred by a contributor, in respect of hospital treatment received by such contributor". We suggest the deletion of that and the substitution of "to pay a daily allowance of such amount as may be prescribed, towards the cost of fees incurred by a contributor, in respect of hospital treatment received by such contributor". The reason we recommended this was because the old provision fixed the maximum at Sh. 15, and you could not pay more but could pay less. Under our suggested amendment the Authority, if they find that their funds are such that they can improve the service to the public, will be able to do it by increasing the amount payable. We felt that it was desirable to have that flexibility from the very commencement. It may well be that they will be able to assist contributors to a greater extent than was originally intended. On the other hand, if their finances do not run to it they will not pay it.

The same thing applies to (e). The maximum amount payable was Sh. 15 and we recommend that the amount should be left to be prescribed by the Authority in order to introduce some degree of flexibility. There is a new paragraph (f) we suggest should be inserted which reads: "to provide hospital treatment for any person who is not a contributor upon such terms and conditions as may be prescribed". The object of that is this. There will be people in this colony coming from outside, visitors. There are also a number of school children from adjacent territories attending schools in this country who would not be contributors and would not be entitled to benefit. The committee felt that we ought to provide machinery to enable the Authority to allow these children and visitors to come into the scheme and benefit under it on such terms as the Authority may prescribe. This introduces a greater degree of flexibility and provides for something that we are certain it will be found necessary to provide for at a later stage.

[Mr. Foster Sutton]

The old paragraph (f) dealt with the amounts payable on confinement. It limited the amounts there to "a sum not exceeding five pounds in respect of pre-natal medical attendance; a sum not exceeding five pounds in respect of medical attendance at the confinement; in cases where, in the opinion of the Authority, exceptional medical or nursing expenses are unavoidably incurred, an additional sum not exceeding five pounds; in cases where hospital facilities are not utilized, a sum not exceeding ten pounds in respect of expenses actually incurred on qualified nursing services." We recommend that the amounts to be paid should be prescribed by the Authority, in case the Authority is able to help to a greater extent than was originally thought.

There is one point in connexion with paragraph (e), to which I will return for a moment, which I should mention. That is the daily allowance in cases where hospital facilities are not utilized. We suggest an amendment there because people in out of the way places may not be able to get medical or nursing attendance but may, by reason of illness, have to get in extra help, as distinct from medical and trained nursing help. We felt that such cases ought to be able to receive some benefit under this scheme. The amendment is intended to cover the cases of persons who are ill and who would normally have medical and nursing attendance, but are not able to attend a hospital.

I do not think I need mention any others, except the new paragraph (m): "to write off any debts owing to the Authority which, in its opinion, are irrecoverable." It was urged very strongly that the Authority should have that power, and I think it is advisable they should myself, as later on there will be all sorts of trouble if they cannot recover debts and want to write them off. They have no power to do it unless we give them express power in this legislation.

(n) is new: "raise such loans for the purposes of this Ordinance as may be approved by the Legislative Council of the Colony." It is relevant to refer Council to clause 11 (2), old paragraph (c), which authorizes the Governor, with

the approval of the Legislative Council, to raise loans. There was one member of the committee who feels very strongly (he has signed the report—there is no minority report) that you have got a body here which will be a responsible body and, in view of the fact that it will have property that will be vested in it, and that it will have security for loans, they ought to have the power, without coming to this Council, to raise loans. The select committee ultimately decided that such matters should come before this Council. That is why we have limited the power to raise loans, subject to the approval of Legislative Council.

I am afraid this is rather dull, but being an important measure I feel I ought to draw hon. members' attention to the substantial amendments.

Clause 12 (1). We suggest the deletion of the two lines which read: "Every European resident in the Colony shall, commencing from the year 1947, pay, in every year, as a contribution to the Fund" and the substitution thereof of: "Every European resident in the Colony, other than a married woman living with her husband and an individual who has not attained the age of eighteen years, shall, commencing from the year 1947, pay, in every year, as a contribution to the Fund". The reason for that is that a married woman living with her husband is not liable to pay personal tax, and these payments under 12 (1) are linked up, for collection and penalty purposes, to personal tax. We felt that we ought not to make a married woman or a child under 18 who is not liable to personal tax, liable to contribute to the fund, because if a married woman is living with her husband she will be automatically entitled to benefits under the scheme and so will a child under 18 years of age who is supported by a contributor.

In the old clause 12 (1) the provisions of the Personal Tax Ordinance relating to recovery of penalties for non-payment were excluded, but after discussion and consideration we came to the conclusion that if a person defaults in paying his contributions, the penalties imposed under the Personal Tax Ordinance should attach for the non-payment of this contribution. We felt it was an inducement to people to pay, and it saves an enor-

[Mr. Foster Sutton]

mous amount of trouble and staff in the administration of it if there is a penalty for non-payment. The same thing applies to the provision under sub-clause (2). We seek to attach for non-payment the penalties that are attachable in the case of non-payment of income tax. That is done by the substitution of the words we suggest for the last three lines of the old clause.

In connexion with clause 13, there were certain doubts expressed as to whether we had really clearly set out in the Ordinance what we intended to do. The amendment we suggest to clause 13 seeks to make the position abundantly clear. In clause 14 we suggest the deletion of paragraphs (b) and (c). Old paragraph (b) reads: "the creation of such reserve fund as the Governor in Council may, in his discretion, require". We suggest "the creation of such reserve fund as the Authority may deem desirable". We did that because, as I have already said, we envisage this Authority being a responsible body. The majority of them will be elected by the members of this Council and we felt that they ought to be given that power without reference to anybody. Old paragraph (c) read: "the payment of interest on loans and the repayment of loans as the Governor may require". We suggest "the payment of interest on loans and the repayment of loans", leaving it to the discretion of the Authority to do their duty properly.

The old clause 16 required the Authority to furnish the Governor with a report upon the administration of the affairs of the Authority annually, which was to be laid on the table of Legislative Council. The new paragraph (b) is the same as the old clause, but (a) is new. It reads: "the Authority shall prepare and publish in the Gazette, before the thirty-first day of December in every year," its budget for the next ensuing year." It was felt by a number of members of the committee that the Authority should be required to publish its budget to enable the public to know what it was doing and what its programme was to be, and to enable members of this Council, who are responsible for the appointment of members of the Authority, to go into their budget and, if necessary, raise any points of disagreement in this Council.

Clause 18. The amendment seeks to make the position absolutely clear. We felt that it was rather vague and might be open to misconstruction. Moreover, we wished to delete sub-clause (2) of (18) which made it a criminal offence for anybody to accept a charge on any amount payable under the Ordinance. We thought that was a big stick to use and unnecessary.

There are only verbal amendments to clause 20. We think rules are more appropriate than regulations. We have recommended a new clause 22, which enables the Governor in Council "notwithstanding anything contained in section 12 of this Ordinance, by order, to exempt any person or specified classes of persons, in whole or in part, from contributing to the Fund". We did not recommend the insertion of that without considerable thought, but we came to the conclusion that the power should be there, because you may have cases of people who are poverty stricken and utterly unable to pay, and there are other matters which, if hon. members want the matter gone into in any more detail, my hon. friend the Commissioner of Inland Revenue will be able to deal with, but there are other matters that made us convinced ultimately that we should make provision for the power to exempt. It is not intended, of course, to do it except in exceptional cases.

MR. TROUGHTON seconded.

SIR ALFRED VINCENT: Your Excellency, there is a point in the report which gives rise to a certain amount of apprehension. I am, incidentally, grateful, and I am sure Council is, for the clear way the Attorney General has taken us through the report in association with the original Bill. But you are taxing people for a specific purpose and they like to know what they are going to get in return as a minimum and, although the explanation given by the hon. mover is quite clear, the support given to this Bill has been to a very great extent in the past, in my estimation, due to the fact that people knew what benefits they were going to get. Now you have removed the specific figure of Sh. 15 a day and, I think, another figure under confinement benefits, because it is claimed that the Authority may be able to do better. I consider that unless there is very good



[Sir A. Vincent] reason against it, we should put in a minimum figure in order to reassure people who may naturally be rather suspicious of a new measure and who may say: "Well, they are going to let us have as much as they can, but it may be very little indeed in relation to the taxes I have paid". That is the only point I wish to make.

MR. VASEY: Your Excellency, when discussions took place on one or two of the items in the select committee report, particularly in regard to clause 5 (a), I was the dissenting member who was faced with the alternatives of either signing a minority report or reserving the right to express my dissent in Council. The committee agreed that I should have that right.

Before dealing with clause 5 (a), I should like to deal with one or two other matters.

The new clause 3 recommended that the right of appointment of members of this body should be vested in the European elected members of the colony, and I think it only right that we, the members of the select committee, should ask the European elected members for an assurance that those institutions whose representatives were originally to be nominated should be consulted when the appointment of persons on the Authority is made. Why the elected members? Presumably because this is a measure, a rather unusual measure, which was agreed to by the European electorate, or the majority of the European electorate, to tax themselves, in order that the rate of progress in regard to medical services shall be maintained during the coming years, particularly in view of the submission of the hon. Financial Secretary that Government could see little hope of revenue for expansion. It was, therefore, obvious that, if the community has agreed to tax itself for this purpose, the representatives of that community must have the right of control, and I think that has been agreed to in the acceptance of this particular clause. I will deal with that again in a moment.

I should like first of all to ask, what is the position with regard to the European elected members of this Council and clause 12? Clause 12 is the clause which states that chargeable income shall

be levied for this tax. I believe that the hon. Financial Secretary and my hon. friend the Commissioner for Inland Revenue will contend that that is obviously the revenue of the Colony. Particularly does that apply to clause 13, Standing Order No. 32 says: "It shall be competent for any member to propose any question for debate in Council; and such question, if seconded by any other member, shall be debated and disposed of according to the Standing Rules and Orders: Provided always that no ordinance, vote or resolution the object or effect of which may be to reduce or to charge any part of the revenue arising within the Colony or to revoke, alter or vary any existing charge upon the revenue shall be proposed except by the Governor or with his consent". This is a tax which the European community is levying upon itself, and I would like to make sure that the European elected members will have the right at any time to move an alteration, variation or revocation of part of that revenue should it be necessary.

Clause 13. I would ask the hon. Financial Secretary for an assurance here, which I am sure he will be prepared to give, that the Government contribution level shall be reviewed in the light of experience. The information placed before me—I did not raise this point in the original debate—shows that Government contributions on income groups begins as follows:—Single person with over £366 p.a. total income; married man with over £600 p.a. total income; married man with one child with over £680 p.a. total income; married man with two children with over £720 p.a. total income; married man with three children with over £760 p.a. total income; married man with four or more children with over £800 p.a. total income; and these figures only consider personal allowance and exclude life assurance and dependent relative allowances. I think anyone who sees these figures will agree that the Government contribution is paced at a fairly high rate before it becomes operative. While there may be some dispute from the Government side as to that statement being correct and there may be a reluctance to contribute at a lower standard, I would ask that we should be given the assurance that the matter will

[Mr. Vasey] be reconsidered in the light of experience.

I supported the original bill in general because I believe that it is opening the way to a great step forward in independence, and I hoped it would be an example to other communities, this willingness to tax one's self in order that social services shall become available to one's community. I would not contend that it is a sound principle of finance, nor is it a sound principle for the development of the social services of the colony as a whole, but I believe that on the grounds of expediency it has to be accepted, because we have little alternative. It is unfortunate that we have had to break up into racial groups in order that social services shall be expanded, and I express my hope and firm conviction that this will be a temporary phase, that one day we shall be able to return to the happy position where all are combined.

But I am rather worried in two ways by the new clause 8 (c), which goes a little further than I think I or many hon. members anticipated. Clause 8 (c) says: "to raise such loans for the purposes of this Ordinance as may be approved by the Legislative Council of the Colony". The European community has taxed itself in order that the hospital services scheme shall go forward. It is stated in clause 3, as amended, that the Authority shall have an unofficial majority on the ground that the Authority which is to operate the scheme is using money mainly contributed by the European community as a whole. Why, then, having established the unofficial majority for the operation of the scheme, should we consent to placing one of the most vital parts of it, the question of raising loans, before the Legislative Council, which has a fixed, immovable official majority? My contention in the select committee was that this was an independent operation by the European community. The Government contribution is a recognition that the load will be lifted off the revenue to a certain amount, and with that recognition the hon. Financial Secretary has wisely consented to place this contribution. I have no quarrel with Government on this point at the moment, but I have a quarrel with any member of the select committee, who agrees that a fund dependent upon the contributions

of the European community and its officials plus the ability to raise money is subject to the official majority. I fought for a very long time in select committee before I lost the point, and I shall not therefore fulfil my duty to the European electors if I did not place it on record in this Council.

There is another element, too, which arises under this. I believe the European community imagined, when it accepted this scheme, that its contributions would be used for the maintenance and running of the hospital services and any expansion of those services. I do not believe it visualized that what is happening now would actually happen, that is, that the loans for capital expenditure will be repaid from the annual contributions; in other words, that when we go beyond the point outlined by the hon. Financial Secretary very clearly in his speech in this Council in July, the European community will pay for the building of its own hospitals as well as for the maintenance of the service. That, I think, is apparently the desire of the majority of the committee, and I felt that to put in a long minority report would be wrong, because it was obvious it was going to lead to hours and hours of argument and rearrangement, I should like to thank my colleagues for giving me the right to express this dissent in public. It is, at the moment, an unwise step on the part of the European community to accept that principle that capital works shall be provided from the annual contributions in this way, by the annual contribution and by the redemption of loan interest. What the European community accepts to-day the Asian community will be asked to accept to-morrow.

It is my opinion that if the Legislative Council of the Colony is going to have the right to say what loans shall and when the Authority should raise, then the revenue of the colony should accept the burden of the redemption of loans for capital expenditure.

It is unfortunate that we cannot, at this stage, I suppose, go back and talk this matter over with one's constituents. But I am disturbed by the burden which the European community will have as a result of this new step. I should like to express my thanks to the hon. Member for Health and Local Government for the long and patient way in which he

[Mr. Vasey] handled this matter from the point of view of the Interim Hospital Authority. I should like to express my very great appreciation of the manner in which the hon. Attorney-General guided me through what must have been some very difficult passages. I regret to have to record my dissent, and I believe the only way in which I can act is to abstain from voting for the adoption of the report.

Mr. NICOL: Your Excellency, I would just like to comment on paragraph 5 of the report, that is the paragraph dealing with clause 8. On clause 8 (d) I should like to support my colleague, the hon. member for Nairobi South, and to see some figure put in so that people do know what they are going to get. If I understand the hon. Attorney-General correctly, the position is that the Hospital Authority will contribute x, but if their funds are in good health they will contribute x plus z. That savours to me that it is better to be ill in November rather than in January. Would the contributions be declared for a year or would they be variable according to the state of the fund?

With regard to sub-paragraphs (h) to (l), and with them I will take (o) as well, I entirely agree with the hon. member for Nairobi North. I think these powers are really very dangerous, particularly as I think we all along considered that the provision of hospitals is really the duty of the Government, and I cannot agree to this clause going forward. Am I to infer that as I have been unable to find in the Draft Estimates for 1947 provision, or a token provision, for the new European hospital at Mombasa—which is sadly and terribly needed, for the present building is in a shocking state and very acid criticism has been made of it and the lack of reasonable hospital facilities recently at a public meeting which I held the other day—am I to infer that it has got to wait until this report is adopted so that Your Excellency can raise a loan with the permission of this Council to provide a hospital in Mombasa? I am afraid I do not like this bill at all.

Another point which has been worrying a section of the community in Mombasa, the Civil Servants, is what is their position vis à vis this Bill. Before I went

to England I was under the impression that some means were going to be found whereby in the Bill provision was going to be made to see that the Civil Servants, who by their contractual obligation with Government are provided with free hospital accommodation and facilities, would not have to pay under this bill. I take this opportunity of asking whoever will reply—I take it it will be the hon. Member for Health—what the position is and what is being done to safeguard the rights of the Civil Servants in this matter. Again, what would be the position of a Civil Servant who is entitled to free medical attention and hospital attention were he to be admitted to a hospital which had been built by funds raised under paragraph (o) or, not necessarily under this, but built out of funds at the disposal of the Authority? This would be under (l) for example. Would the bill be sent to Government, which they would pay? Surely the Civil Servant would not be expected to pay, as the Government contract to give him free hospital accommodation and facilities while sick. I would conclude by saying that I do not like these provisions (h) to (l) inclusive.

Mr. COOKE: Your Excellency, as the hon. member is so anxious about the hospital in Mombasa, may I suggest that as Government House is not regularly used and as Government is fond of interim measures, it be used for a hospital in the meantime?

His EXCELLENCY: If hon. members will bear with me for a few moments, I want to consult my advisers.

On resuming:

His EXCELLENCY: I have had a brief consultation with my advisers. There are great difficulties in this measure, particularly in view of the fact that it is not, as it were, a Government measure—it has been introduced at the request of the European elected members. Now that there does not appear to be unanimity among them, I should very much prefer to adjourn this debate in order that my officers may have time to go into the points raised, because I foresee that we may find ourselves, if it comes to a vote on this motion in its present form, in a very substantial difficulty. It would be very much better if my advisers have such consultations as may be necessary to make sure there is agreement among

[H.E. the Governor] those directly responsible for the measure. If I do not do that, I may find myself passing the measure against the wishes of its sponsors.

Mrs. WATKINS: Your Excellency, I am not quite clear on one point. Up to now Government have had a moral responsibility that if a person is living on about £5 a month, or something like that, a terribly small income, as many of my constituents are, the Government have not only taken full responsibility for that hospitalization, but they will have to continue to do so. Not only can that person not contribute so much per annum, but he cannot even contribute when he goes into hospital. I want to know if Government is going to take the whole of that responsibility or whether they are going to make ex gratia payments, because they are absolving themselves of a very large responsibility for these people who can neither contribute annually nor when they go into hospital. Up to now Government has taken responsibility; now what is the position? Are they going to make ex gratia payments per capita for these people or what are they going to do?

His EXCELLENCY: I think the hon. member's remarks illustrate even more potently the desirability of adjourning the debate until we know what we are going to do.

I do not know how long the committee stage of the measures next on the order paper will take, whether members would like to go on with them or adjourn now until next week? It is immaterial to me, I am at the service of the Council. There are three bills for the committee stage, and it is 12.30 p.m.

Mr. VASEY: Having discussed it with the hon. Attorney-General, I have agreed not to move any amendments to the Workmen's Compensation Bill, because the matter is to be reconsidered by the Labour Commissioner.

Mr. FOSTER SUTTON: I have given an undertaking that it will be resubmitted to the Labour Advisory Board at its next meeting, and if it is agreed on I will come back and ask for an amendment to the measure.

The debate was adjourned.

## BILLS

### IN COMMITTEE

Mr. FOSTER SUTTON moved: That the Council do resolve itself into committee of the whole Council for the purpose of considering clause by clause the Workmen's Compensation Bill, the Minimum Wage Bill and the Petroleum Bill.

Mr. STACEY seconded.

The question was put and carried.

Council went into committee. The Bills were considered clause by clause.

Mr. FOSTER SUTTON moved: That the Bills be reported without amendment.

Mr. STACEY seconded.

The question was put and carried.

Council resumed: His Excellency reported accordingly.

Council adjourned till 10 a.m. on Tuesday, 19th November, 1946.

**Tuesday, 19th November, 1946**

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 19th November, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 14th November, 1946, were confirmed.

#### ORAL ANSWERS TO QUESTIONS

##### No. 74—TAX RECEIPTS

MRS. WATKINS:

Can Government please inform me (1) how much tax was received from motor licences during 1945, (2) how much from petrol tax, (3) customs on petrol and lubricating oils, and (4) the total amount spent on road upkeep on P.W.D. main trunk roads, and also on district council and other roads?

MR. THORNTON: The following sums were received during 1945:—

(1) From motor licences £107,940, including £5,799 from drivers' licences.

(2) From petrol tax £142,220.

(3) From customs duty on petrol and lubricating oils £230,899.

As regards part (4) of the hon. member's question, the following sums were spent on road upkeep in 1945: Public Works Department £92,614, Local Native Councils £27,602, District Councils £57,301, Municipal Councils and Boards £57,379.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE.

The debate was resumed.

SIR ALFRED VINCENT: Your Excellency, as you are already probably aware, my colleagues and myself reject the budget in its present form for the reasons which I will give later, and in case there is any possibility of misunderstanding, I wish to make this clear at the outset, because it has been said that if we commence the debate on the budget and do not move an amendment for its immediate rejection, we in fact accept

the principles of it. To me that is sheer nonsense, and I wish to make the attitude of my colleagues and myself quite clear now.

In the Wilfrid Woods Report debate, as we will call it, the hon. Financial Secretary objected when I interpreted the Government's attitude expressed by himself in debate—and I add "in debate"—when I stated that the Government's assurance that if there was opposition to the report they would withdraw the motion, meant that Government would not force or attempt to force the findings of the report on the country. The Government's present attitude is extremely frank, but it appears to us that they are at this juncture attempting to force a budget based almost entirely upon the Woods report on this country and against the overwhelming wishes of the taxpayers of this country. I submit to you that this immediately puts the European section of the community once again in the position of having to renege, and no doubt it will be used as propaganda in every possible direction against the European community, merely because they object to being treated unfairly and unjustly.

I consider that the Government's present attitude is one which shows that they are entirely out of touch with the people of this country, the Europeans of this country. I think their present attitude is deplorable, but we are not going to follow Government's attitude in this case; we are not going to follow their example. We are going to give the Government the necessary time and opportunity to reconsider the position and put the matter right in accordance with the will of the people, rather than take any drastic action which will deliberately be misinterpreted throughout the world and used against a very loyal community. We therefore sincerely trust that as a result of these deliberations Government will find itself in agreement with us, and thus be able to give effect to certain principles which the overwhelming opinion of the European electorate consider vital.

Before I refer to the budget I wish to refer to some points which you, sir, made in your address in opening Council. In your address you mentioned the appointment of Mr. Creech Jones as Secretary of State for the Colonies, and

(Sir A. Vincent)

in extending to him our very sincere congratulations in achieving what must have been his life's ambition, we are happy to think that he has now gained some personal knowledge of our territory which should make it possible for him more fully to understand our problems, and the invaluable personal contacts which he made whilst here will, I am sure, create a better understanding and make for much greater efficiency and co-operation. But while I am on the subject may we express the wish that you, sir, invite his successor, as the wish of this Council, to visit this territory at an early opportunity, so that he, too, may gain first-hand knowledge of our country and its problems.

I wish to refer to some passages in the very lucid and very frank speech of the hon. mover in introducing the budget.

He said, subject to such amendments as may be found necessary, "the Council will, in fact, be deciding the policy both in regard to post-war development and post-war taxation". Now we cannot accept this principle and we do not agree with it. We wish to record that we cannot accept any budget framed in 1947 as laying down principles of post-war taxation in any way whatsoever, and we cannot in any circumstances accept the statement made by the hon. Financial Secretary on October 23rd to the effect that the 1947 budget will decide the policy in regard to post-war taxation. I do hope that the mover in his reply will agree with our point of view and withdraw his contention; otherwise we shall be unable to support the motion before Council to-day.

Further, I must take him to task when, speaking on finance for development, he stated: "Consequently the Development Committee was forced to be arbitrary... on the assumption that revenue from taxation... would amount, at the end of the ten-year period, to approximately 25 per cent more than the present level..."

Sir Wilfrid Woods, working independently, reached a conclusion that was not dissimilar... and I take it that Sir Wilfrid also could only have reached conclusions on assumptions. Then the hon. mover, to make things worse in my opinion, stated in summing up: "Thus I contend that the Development Commit-

tee's Report was related to realities in two ways: First, in regard to the total sum likely to be available for capital expenditure and, secondly, in regard to the Colony's capacity to stand increased recurrent commitments". Well, I am certain that was a slip of the tongue. I am certain my hon. friend, for whose ability and mental capacity I have the greatest regard, could not have meant that, because I cannot accept any reality as such in either case—it would be most dangerous to do so. We may have to face a very serious depression in this period, a very serious depression, and therefore I submit that assumptions cannot be regarded as realities, even by Government, especially in connexion with finance and taxation.

I should like to make another point, with which I associate my hon. friend the Commissioner for Inland Revenue, in connexion with a question which has caused much controversy; that is, with regard to allowances in regard to capital expenditure. Whatever the ultimate result of this, may be, which I admit is arguable, there is one point which is perfectly clear and I do not think any of us will deny it. In fact, I should be surprised if anybody on the other side attempts to deny it, and that is that if these particular allowances which we hear so much about are not made, this Government will be guilty of perpetuating a capital levy, because if the allowances allowed under income tax are insufficient, you then levy your tax on an increased figure of fictitious profit, and any tax levied on a figure of fictitious profit as affecting capital is a capital levy. So this is not a fine gesture of generosity on the part of Government, I submit, not at all, I think they are merely remedying something which should not have been done in the past.

We reject the budget in its present form because, despite our rejection of the Woods report, Government has used this report to justify the present policy of taxation. Sir Wilfrid Woods himself stated—and this has been quoted again and again and I make no apology for quoting it again—"I cannot claim as such estimates and judgments as that report contains rest upon a sure foundation of co-ordinated statistical information". In fact, such information does not exist. If Your Excellency, in a quite

[Sir A. Vincent] will all these years without any help, except unhelpful criticism perhaps from the Government in England. But do not let me be mistaken in this or misinterpreted. If you, Sir, came to this country as you did once before, or those who preceded you, and said "We require you, we ask you (which would hardly be necessary in fact) to assist the British Government in their difficulties to pay for the war", the whole of the Europeans community would have been prepared to bear their fair share of the burden, so it is not in a niggardly spirit that we make the present representations. Although, I must say it, some of us view with dismay the fact that, although we were victorious, it seems to us its only result, as far as the British are concerned, is the partial liquidation of the British Empire voluntarily.

I will quote one important feature of it, and I do not want to be told after I have quoted it that other people, other Governors, other Chief Secretaries, other Attorney Generals, other Commissioners of Income Tax, made other statements afterwards. I am going to quote the basic statement upon which our argument rests to-day, that this should be a matter for negotiation and not a matter of bullying tactics on the part of Government.

The first part of the question that I put was this: "Whereas H. E. Sir Henry Moore, on the 6th August, 1940, with reference to the War Taxation (Income Tax) Bill, the War Taxation (Customs and Excise Duties) Bill, and the Petrol Consumption tax, stated: 'One common feature of all these Bills is the last clause, which provides that they shall continue in force until the end of December next following the end of hostilities. This clause has been inserted because the Government regards this additional taxation as of a purely emergency character, which will come to an end as soon as possible after the war. This attitude has been fully accepted by the other East African Governments too'."—There is nothing in that statement made by the King's representative to the effect "All right, this taxation shall go, but we will merely turn them by a stroke of the pen into permanent taxes after the war". I submit that in those days there was a real and true co-operation between the men and women who wanted to do their very utmost to back the war effort. There was no suggestion at that time, no sug-

gestion, that we were going to have this crisis forced on the country by the Government at the present time.

Having said that, I do want to make it quite clear in very decisive terms that my colleagues and myself are certain that the European taxpayer is willing to support this country by paying a taxation which is equitable and of such a nature that it is capable of competent collection and is fair in its incidence. We, as taxpayers, are certain that income tax has not been so collected for the past five years and that assessments of arrears are very considerable. I am not going to argue about the amount, but I feel sure such arrears represent a very large sum of money, and this is why we consider it imperative that relief be afforded in income tax by the equivalent of one shilling reduction in the personal basic rate of resident individuals, and that personal tax, described by Sir Wilfrid Woods very truly as "a crude supplementary income tax", be deducted from income tax, especially in the case of the lower income groups who require relief the most.

The argument has been used, and I get very tired of it—and I have dealt with it in this Council before, but it has been raised again and will no doubt be used again—that we appear unwilling to bear our fair burden of taxation, and our attention will be called to the assistance being given to this colony from the Colonial Development and Welfare Fund. I wish Government would stop this submission, because it is without logic and reason and casts a very serious reflection on the Government of this country for the last 30 or 50 years. I have stated before, and will state again, that had the British Government not been prevented by Party considerations from seeing that we had proper grants of money in order to enable us to take care of the native lands of this country, not only would we have got a tremendous value at that time, when money was worth quite a lot in comparison with to-day, we should also have eliminated the possibility of this vast problem which faces us to-day.

And that is my point. The British Government, as I have said before in this Council, have done very well from this colony, very well. The people of this colony have borne the burden for

[Sir A. Vincent] all these years without any help, except unhelpful criticism perhaps from the Government in England. But do not let me be mistaken in this or misinterpreted. If you, Sir, came to this country as you did once before, or those who preceded you, and said "We require you, we ask you (which would hardly be necessary in fact) to assist the British Government in their difficulties to pay for the war", the whole of the Europeans community would have been prepared to bear their fair share of the burden, so it is not in a niggardly spirit that we make the present representations. Although, I must say it, some of us view with dismay the fact that, although we were victorious, it seems to us its only result, as far as the British are concerned, is the partial liquidation of the British Empire voluntarily.

Let us get down to figures. We are submitting that we want Sh. 1 off the income tax rates as I have described, and what is the result of that compared to other Crown Colonies and African possessions? I have them here and am going to read them out in detail, because I want them recorded in Hansard. These are income tax comparisons on the assumption that Kenya income tax be reduced by one shilling but leaving surtax at the present rate. And I am taking the identical case as before: I am taking the married man with two children and no insurance benefits.

First of all I will take the £500 group. In Northern Rhodesia they pay nothing, in Nyasaland nothing; on the Gold Coast and Sierra Leone, £1/5; Gambia, a maximum of £3/15 and a minimum of Sh. 25; Nigeria is the highest, £4/10; and in Kenya he would pay Sh. 30. In the £1,000 group, Northern Rhodesia, £11; Gold Coast and Sierra Leone, £15 maximum and £9/7/6 minimum; Gambia, £22/10 maximum and £15 minimum; Nyasaland, £23/10; Nigeria, a maximum of £31/10 and minimum £16/7/6; and Kenya will still pay the highest of all, £35/15/6 in comparison with the £11 paid in Nyasaland and the £15 paid on the Gold Coast, and so on.

In the £2,000 group, the Gold Coast and Sierra Leone pay £125 maximum and £102/10 minimum; Gambia, £147/10 maximum and £125 minimum; Northern Rhodesia, £157/7/6; Nyasa-

land £206/5; Nigeria, maximum £214/10 and £165 minimum; in Kenya £198/18. In that group we pay more than anyone, especially in the minimum scales, with the exception of Nyasaland, which pays £206/5 and Nigeria, with a maximum of £214/10, but the minimum is £165.

In the £5,000 group, Gold Coast and Sierra Leone pay £815 maximum and £770 minimum; Northern Rhodesia £1,061/6/3; Gambia £860 maximum and £815 minimum; Nigeria, maximum £1,276/10 and minimum £1,117/10; Nyasaland £1,291/15; and in Kenya we will pay £1,406 and it is the same in every category throughout, including maximum and minimum. As I do not want to be accused of suppressing any figures, and I included South Africa and Southern Rhodesia before, although I stated then that they were not fair comparisons because South Africa has many sources of taxation which we have not got here, on income tax proper in comparison of the figures, in South Africa, in the £500 group, it is Sh. 5/10, Southern Rhodesia nothing, and in Kenya Sh. 30; in the £1,000 group, South Africa £44/13/4, Southern Rhodesia £22/10, and Kenya £35/15/6. In the £2,000 group, South Africa £151/6/8, Southern Rhodesia £187/10, Kenya £198/18. In the £5,000 group, South Africa £945/11/8, Southern Rhodesia £1,632/10 and Kenya £1,406.

Therefore these figures demonstrate that the reduction suggested still leaves this colony in practically every instance, with very few exceptions, on the highest level of income tax in African Crown Colonies or Protectorates. Therefore, we cannot be accused of asking to pay less than any other African possession as such.

The hon. mover has often said that relief should be afforded where the shoe pinches most. I submit there is no one in a position to judge except the wearer of the shoe as to whether it pinches or not, and I am certain some of my colleagues will be able to demonstrate that the hon. mover is completely unaware of some very real cases of discomfort and hardship which his previous suggestions will not alleviate in any way whatsoever.

Having dealt with income tax and our reasons, which I think are quite solid and

[Sir A. Vincent]

cannot be shifted on any grounds whatsoever, let me just refer to the cost of living, customs tariff and surcharges as one whole picture, and I will quote the actual words used by the hon. mover, because in order to develop my argument hon. members must know the details to which I refer. After having given details of the surcharges he proposed to remove, he said this: "For the rest, it is proposed that the other surcharges should be incorporated in the main tariff and that the surcharges on beer, wines, spirits, vermouth, tobacco, cigarettes, snuff, motor spirit and oil should all form part of the permanent tariff. Sir Wilfrid Woods recommended that the surcharges on other items should be removed as and when the goods affected become in free supply. These surcharges it is proposed to incorporate in the main tariff for the time being, but I can give an undertaking that the East African Governments have undertaken to examine each of them with a view to removal as and when the goods affected become in free supply, and appropriate amendments to the customs tariff will be moved from time to time. In so far as the removal of the surcharges which I have already mentioned is concerned, there is no point in removing the surcharge on a particular article unless that relief is going to be passed on to the consumer, and I have given instructions to the Price Controller to ensure that relief in respect of the various surcharges removed to-day should be reflected in full in the fixation of the controlled price for the articles in question."

Let us examine the position, because very few people seem to understand the implication of surcharges as they have been built up over a period of time. Surcharges were levied to obtain increased revenue, and I believe also to discourage unnecessary purchases being made when goods were in short supply. During the war that policy was warranted, but I submit that it requires immediate review to-day, not next year, for the following reasons. Not only are we getting increased revenue because of the surcharges, but revenue has increased far beyond that intent. No wonder our customs revenue is buoyant, because manufacturers cost has risen exceedingly, also freights, and as far as

freights are concerned I think it is quite unlikely that they are likely to be reduced to any extent for some considerable period. In fact, instead of prices going down, especially in the steel industry, there has been an enormous rise just recently in steel products as a result of steel shortage.

That being the case, what happens? You set your surcharges on a definite cost for a definite reason, which we will grant was quite right at that time, six years ago, but prices have so increased that the whole structure has risen in the form of a snowball which hits the salaried man and distorts the cost of living to an enormous extent on imported articles, and even with your increased cost of living allowance you cannot alleviate in full that burden on the lower income groups. In your opening address, sir, you referred—and with it I wholeheartedly agree—to the appointment of a commission to examine the salaries of Civil Servants of East Africa. As I say, it is most welcome, but I submit that assistance should be afforded to the salaried classes generally now, by relief in indirect taxation, and it is also desirable that normal conditions should be restored, as soon as possible, so that the Commission may base its findings and report on costs which are not artificially inflated by high tariffs. Otherwise this country may carry a tremendous burden which is quite unjustified in the future.

I am also certain that the hon. mover will agree with me on consideration that the position of the importer is exceedingly unsatisfactory, very, very unsatisfactory. I know that all importers are supposed to be gentlemen whose pockets are bulging with gold, not necessarily always £100 notes! But if you have a policy laid down, as the hon. mover has stated, that the remaining surcharges will be reviewed "when goods come in free supply", this makes for a feeling of great uncertainty and will, I am sure, seriously affect the possibility of goods coming into free supply as merchants, I imagine, will be cautious in importing goods in large quantities under such circumstances, so that you are making a rod for your own back. Therefore, we submit that in principle this matter ought to be reviewed at once, and that relief of not less—and I stress not less—than

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£100,000 be provided for in indirect taxation in regard to surcharges and increased duties on imported articles which appear in the schedule of the cost of living index. With reference to duties on luxuries, the hon. mover also stated that he did not think duties on luxury items were unduly onerous, and made the jocular suggestion that one could, in fact, reduce them to nothing by giving up drinking and smoking. But on consideration, a very serious point arises, that you are by this, if you go too high, creating a great restriction on trade and, what is more important, you are putting these luxuries beyond the reach of the man with the modest income. I would ask the hon. member to realize this, because people are hard hit in the modest income groups.

Then, sir, a very important point arises here. I am the first to agree, and did agree in the Woods report debate, I think it was, that if possible I should be the first to agree that rates of tax in the three territories should be equal. But we cannot agree to any pre-judgment on these matters by Governors in conference before the matter is discussed by representatives of the taxpayers, nor that rates be levied to suit certain territories, because of their particular opposition, which will create undue hardships in another territory. I am confident that members of Legislative Councils in the adjoining territories, although I have not discussed it with them, will agree with me.

Therefore, on the general question of taxation we submit that until a statistical investigation of the national income and expenditure of the colony is made, we cannot accept any permanent basis for taxation, and therefore such investigation is urgently called for and is the prerequisite to any decision—any decision—on future budgetary policy. Such investigation should, in our opinion, be carried out by a special ad hoc committee having an unofficial majority, whose terms of reference which shall have particular regard to the incidence of taxation between communities, shall be approved by this Legislative Council. We shall probably be told that the necessary information will be very hard to obtain and, indeed, will take a very long time to obtain, but in a surprisingly

short space of time, a surprisingly short space, Government experts were able to calculate the amount of taxation which was paid by the African community, although I admit that my hon. friend left the figure was conservative, and so it may be. Therefore, it should be possible for much information to be made available to the suggested committee in the same way to assist them in their deliberations. I feel that this committee should consist of local people who have to live with their findings and with the result of their findings, and they will be able to tackle their problem with an intimate knowledge of local conditions which Sir Wilfrid Woods did not possess, and will be able to produce a satisfactory basis for future taxation which will be generally acceptable.

I trust, sir, that you will be able to agree to this constructive suggestion.

"It is not my intention to go into details of the Draft Estimates. My object this morning is to deal with principles only. But I would say this, in regard to the present Draft Estimates, that there is a strong feeling that the revenue has been very much under-estimated and no doubt detailed questions will be asked about this by some of my colleagues. But we have to have revenue, but what is more, we have to have a better spread of taxation and a fairer spread. Therefore, we submit that the incidence of taxation must be on an equitable basis, and in order to achieve this end other forms of taxation should be examined. For instance, in the meantime we press for an increase in the excise on sugar and excise on tea, and we must not, as was suggested by the hon. mover, wait till next year for that to be done.

With reference to expenditure, I am very conscious, as Government knows and as my colleagues know, that the increased demands for services in every direction can only be met by the answer that "you can only have what you are prepared to pay for", but the budget has assumed such alarming proportions that every item of expenditure must again be very carefully examined and any permanent commitments must be kept down to the absolute minimum. I know it is very likely that in reply one of my hon. friends will say "yes, you are going to do that on Standing Finance Committee", but I do want to point out

[Sir A. Vincent] to Government that we must review every item of expenditure and every permanent commitment.

Logically, however, it is quite impossible to lay down a hard and fast rule that during this period of review we cannot enter into any further permanent commitments, because we cannot hold up the work of the country, and any such ruling would, in my opinion, be impracticable, but I do say that during this period of review we must keep as close to that objective as possible and only in very extreme cases must we be prepared to make an exception.

Having suggested this *ad hoc* committee, I would ask the hon. member, although he did mention the subject in his speech—time has gone by since then—the following questions: What is the position of the committees referred to in the report of the 1946 Standing Finance Committee, page 2, paragraph 7, on Government departments; page 14, paragraph 100, on educational finance; and page 24, paragraph 169, on medical services finance, and what are Government's intentions. What are they going to do about it in fact? Because it does seem to me, although some people may deem the suggestion, that if we have this committee set up to examine the incidence of taxation especially, that these three committees together with that one committee can do a very excellent job for this country at this juncture, and I believe that there has got to be a tie-up between these committees and the committee we propose.

Development Report. First of all, I should like to admit that I was wrong in speaking on the Development Report last year, I think it was in this Council, on the question of the physical endurance of the hon. Chief Secretary, when I stated that I thought that the country was throwing too much on to his shoulders and, in fact, that he might break down completely with the tremendous burden which we were placing upon him. He has survived it! Members, of course, will find it unnecessary for me to say that I have never doubted his mental capacity!

On the development report, which admittedly in the course of time will have to be altered in certain respects, we con-

sider it a very fine report indeed and give it whole-hearted support. Some of my colleagues will probably have a word or two to say on some particular aspects of it, but I do think it reflects enormous credit on everybody connected with it, especially my hon. friends the Chief Secretary and the Financial Secretary. It must have incurred an enormous amount of work, and I know that the co-operation on that committee and the understanding between official and unofficial was surely an example of which this country can be very proud. The idea of this development programme, which already seems to be misunderstood, is that it will go forward unaffected by depressions and will continue its work, so that, whichever way the curve may go, up or down, we have a steady development policy for this country.

As far as I understand it, the obligation of this country is each year to try and provide the £300,000 to supplement D.A.R.A. funds, so that it can continue unhampered with its work. We wish to draw attention to the following extract from paragraph 23 of the report of the Development Committee, which we whole-heartedly support: "As regards contributions from revenue, although it was made clear by the Standing Finance Committee that the contribution of £300,000 for 1946 did not bind the Legislative Council in future years, we trust that it will, in fact, prove to be possible to make annual contributions of this order. Indeed, it will be evident that unless such contributions are forthcoming a further curtailment of the development programme below the modest level proposed in this report will be necessary". We hope, indeed, that we can so arrange our finances in the future as to make this possible.

I feel it necessary to be just as frank as Government has been in its determination to force its wishes on the country, and before concluding these remarks, which have been directed towards the principles only with which we are dealing to-day, I feel it necessary to reiterate that we are greatly troubled about the present incidence of taxation as collected and the tremendous financial burden which faces the country, and I should like to make it quite clear that if Government does not accede to our reasonable requests, and if the report of

[Sir A. Vincent] the Standing Finance Committee does not embrace the alterations we have asked for, we shall vote against its adoption, in which action we shall have the complete support of the European electorate. Then it will be for the country to decide what further action it will take.

I also feel it essential, with all due deference and respect to you, Sir, as a matter of principle to refer to the fact that a discussion is now taking place in New York because of a dispute that has arisen on the subject of the alleged wrongful use of the veto, and I submit that, although it is your prerogative, the use of the official majority in this Council in respect of this matter of taxation, which we claim presses unfairly on one community, must be prevented at all costs. Its use in this case, I submit, would strike at the very roots of democracy and disrupt the relationship between Government and the people.

Finally, I want to say this, that we, as most loyal subjects of His Majesty, are sincerely desirous of assisting Government over the present difficulty and very anxious period of readjustment by the adoption of principles of negotiation which are fair and just to all communities, and look to Government to do their part to make this possible. (Applause.)

MR. THAKORE: Your Excellency, we are now 18 months from the end of the war, and in approaching the budget proposals for the year 1947 I consider it is high time we all came down to earth and looked at these proposals from a more normal point of view.

There is no doubt that certain taxation has been introduced from year to year since 1939 which cannot be permitted to continue in more normal times, and for that reason I would agree with the hon. Member for Nairobi South in his demands for the removal of surcharges, especially surcharges applicable to everyday necessities of life and which affect particularly the cost of living of the individual. There are many other factors that have arisen during the war which have also tended to increase the cost of living and, if I remember rightly, when the 1946 budget was discussed and sent to the Standing Finance Committee, it

was more or less understood by all that most of the controls would disappear, or almost disappear, or be very considerably reduced, by the middle of 1946. I was sorry to learn from the speech of the hon. Financial Secretary that that does not seem to be the outlook of Government and that many of these controls are likely to continue, for reasons that are not local but perhaps of wider application.

I will start off with imports control. This control should be completely removed. There is no necessity to have any control in respect of importations from the sterling area and, from information at my disposal, all that the imports control has to do in respect of the sterling area is to require importing firms to fill up forms which, as soon as they are received, are stamped and returned to them. I do not know what is the idea behind that, but it certainly costs a good deal of public money and wastes time. In respect of the hard currency area, my own conviction is that the difficulty of obtaining exchange and the difficulty of shipping, and also the fact that articles are in short supply, automatically adjust the policy in respect of importations from the hard currency areas. From that point of view also, I consider that there should be no necessity to continue the imports control.

If that Department was done away with and the public who had been dealing in commodities felt that they could go about their business untrammelled by any restrictions, the law of supply and demand would adjust things for itself, and furthermore—this is a point I want particularly to stress because we hear of black market operations every now and then—goods that may have been imported and kept away from the regular market will come out in freer supply when the trading community in general feels that they are no more answerable to the Controllers and that there are no more restrictions. There is no doubt about it that there are many goods in this country which go into circulation, but not through the usual trade channels, and when those channels are free, especially as we are now so far from the end of the war, people will only buy necessities and will hold their hand from rushing into the market to buy for hoarding.

[Mr. Thakore]

Price Control. Price control may be necessary in respect of most essential items of food and clothing, especially as applied to the lower income groups, but this country is a producing country and, so far as foodstuffs are concerned, with the good rains you have had and, again, the necessity of traders having to establish their regular custom and ensure the proper distribution of articles that are available, for that purpose price control is not very helpful. It has the tendency to raise prices in many respects, and the lower income group particularly suffers on that account. So far as luxuries are concerned, I do not suppose any member on the other side of Council is going to contend that any need exists now for the continuation of control. To maintain the department on its present level or to maintain it at all may be worthy of more detailed consideration when it comes up for review in Standing Finance Committee. My own submission is that the need for that control has been passed.

Produce Control. This department controls the produce of the country which is in everyday use by all sections of the community. At the moment, any particular produce which does not come to the Controller is either stowed away and does not come in free supply or it finds a very good customer in the black market. Under the control the quality of produce also deteriorates. In that connexion I will quote simsim oil. I am talking particularly of consumers of simsim oil. Since the control has been put on that article it has never been of the right quality, because the miller has no incentive to dish out the right quality to the consumer. The Produce Controller hands over the simsim to the miller and he has no further check on the activities of the miller. The miller produces what he likes and hands it over to the Produce Controller, who distributes it through the Commodity Distribution Board to the trader, and ultimately the trader says: "I am only selling to the consumer what I get", so there is nobody responsible to the consumer really as regards quality.

Rice is another instance. There is no rice available to the Indian community or any community at the present moment. Quite a large section of the Indian community depend on a dietary of rice, and it should make no difference

to the Produce Controller whether he controls it or not, since it is not there. It is not given out to the country, but the fact remains that it forms an important part of the dietary of the Indian community and they cannot do without it. What I am leading up to is that the various controls that now exist are helping the black market, they are not benefiting the small income group and are contributing to the higher cost of living, apart from the further fact that these establishments are paid for from revenue which is contributed to by the general public.

The next I come to is the Stock Feed Control. In previous years I have said that this control ought to be abolished and the ordinary channels of trade permitted to deal in stock feed. There is an important organization in the country, the K.F.A., to which I referred last year also, which along with other established traders have been dealing in this line. They could quite well look after the stock in the country by providing the necessary stock feed, for they can obtain it from all the available sources. I do not suppose the control does more than that, and it can be left to established traders to collect feeds for sale to their customers, and in this direction also the time has arrived when Government should hand it over to private enterprise.

The next item I turn to is the £17,000 appearing on page 147 of the budget for fertilizer subsidy. In this connexion I want to say that land that has remained undeveloped for many years was given a grant for the purpose of greater production of food, by means of breaking grants, and the price of produce was guaranteed. It may be assumed that what was taken out of the soil was intended to be put back, and there should be no necessity to give a further grant by way of providing free fertilizers or subsidizing fertilizing to the farming community, so that that item ought to disappear from next year's budget.

Another item that I would like to deal with is land acquisition for new settlement. In many instances that have come to my notice land has been acquired which has not been developed, and it is being acquired at prices ranging from Sh. 20 to Sh. 35 and Sh. 40 an acre in respect of undeveloped land. Speculators who have bought such land are reaping

[Mr. Thakore]

as they are selling at 40 times more than what the land was bought for originally. For future purposes I am going to make this suggestion of an undeveloped land tax, so that the community may be saved from land remaining idle and profiteering being carried on in land for a number of years. For the benefit and protection of the entire community it is very essential indeed that an undeveloped land tax should be introduced so that holders of land for speculation may not have that incentive to hold it, but rather an incentive to develop their land and produce for the benefit of the country.

The next item I have are the police terms of service. There are certain anomalies and discontent in the Asian members of that service. In 1932 a new pension scheme was introduced. The members of this service presented a petition to the authorities, but the authorities have not seen fit to remedy their grievances or to set right the anomalies. Certain members of that service who joined before 1932 were put on a pensionable grade, but only if they had eight years' service before 1932. The point I make is that it is not fair on people who had put in eight years' service to be told that, although they joined on the understanding that they would be pensionable, they ceased to be when the new terms were brought in. In individual cases the matter was righted, but in about eight or ten cases the anomaly still prevails and those members still have a grievance. In 1940 a committee was appointed which went into this matter, and again in individual cases certain members received the benefit of the recommendation, but it was not made applicable to all who came under it.

I am particularly referring to the memorandum which I have in front of me which I will pass on to the Clerk of the Council, paragraph 5, which says: "In 1940 a system of long grades was introduced for police officers. But all officers were not treated alike. Those who had been stopped at £210 were given the benefit of the long grade with effect from 1940, whereas those who had been held up at £182 were given increments from 1942, in spite of the fact that the personnel of both ranks were held up for

almost equal number of years". The contention there is that taking into consideration the length of service, whether it is Asian or European, promotions should be equally applicable to both to all higher grades concerning the police and things like that. There have been many Asian inspectors who have put in 20 and 25 years' service, and some have been extremely good, but they do not get promotion to the higher grades.

I now turn to the Transport Licensing Board. On previous occasions when I have raised this matter I have been pulled up and told I was a member of that Board and had made no objections to a report put in by that Board. Now I have ceased to be a member of it and perhaps I may be permitted to speak more freely about it. (Laughter.) That Board has never functioned for the purpose for which it was set up, right from its inception. The idea behind the establishment of the Board was to control and to co-ordinate transport in the territory. At no time has that office so functioned, and its records have never been up-to-date, and of late quite a lot of transport has come on the road without having gone through the Transport Licensing Board, quite a large number. At no time has the Board exercised sufficient or effective supervision over vehicle licences, so that in effect, although it has sat and issued or refused to issue licences, it has never been able to see that that policy was applicable to the public. The public has ignored that policy, and there has been no check. For that reason I do not think there is any need for that Board to continue in operation. Furthermore, it has been brought to my notice that whereas a large number of licences were refused at the last sitting, an application from one local firm for 30 new licences to operate throughout the country has been granted. One of us has been deputed to go into the matter more closely and make representations, but in general I have a very strong feeling that if this is the way the Board functions the sooner it is wound up the better, for it has failed in its primary object of controlling and co-ordinating the transport in any manner.

Hospital facilities for my community. The other day I was persuaded by one of my constituents to pay a visit to the hospital in the K.A.R. lines. The new



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ward which has been built there has a roof which leaks like a sieve, and there are tarpaulins spread on the roof to prevent the rain going through, and generally the services at that hospital was that the patient is not of importance at all. From descriptions that have been given in this Council in previous years by members who have visited the hospital I would not have thought this, but I hope something will be done so that a patient may feel that a rain bath is not part of the treatment at the hospital.

I see from year to year a large amount like £300,000 a year is annually spent on buildings and roads under the Public Works Extraordinary vote. To my mind it raises a question of policy in this respect, that although we spend that money many essential items of capital expenditure are not catered for and are put off from year to year, such as the provision of school houses and hospital buildings, and in the present state of development of the country we cannot go on indefinitely putting off provision of such facilities. Instead of applying a certain amount every year from the general revenue of the country it may be better to float a loan and tackle the problem as a matter of capital expenditure and not expenditure out of revenue, so that the essential provision of such facilities may be made, instead of having to wait for them for a long time. The amounts that we spend annually may be put into a fund sufficient to pay interest and sinking fund charges, so that the annual cost will not be greater on that loan than the money we are spending now.

There is one more item I should like to deal with, and that is an export tax on products—perhaps this will raise a controversy in certain directions. In the first place, there should be no necessity for exporting essential items of food that are consumed in this country, but since we want money for rehabilitating our land and for settlement and all sorts of things, and for the provision of social and welfare schemes, let the importing countries pay for some of our produce, by a little tax added on to the prices they are paying for our produce, especially if the world is in short supply of articles. I make this suggestion for the

consideration of the Standing Finance Committee.

One last item, and that is £500,000 loan free of interest that we made to the British Government. Now the war is over and we are in such straits for finding the necessary money to run this country and for its rehabilitation, I think we can very well approach the British Government and say they should either return this £500,000 to us or pay a small rate of interest. I do not see anything wrong in putting forward that suggestion.

I take it that the annual budget is only binding on the community for the year in respect of which it is prepared, and it cannot be taken as a precedent for future years, nor could any policy enunciated in a certain year be made binding on the public in future years. For that reason, and for the further reason that every year the budget is referred to the Standing Finance Committee to go through item by item and make its report, when it again comes up for debate in this Council, the budget as introduced at the present moment is only in the nature of constituting an expression of opinion by members of this Council, who are within their rights to put forward their objections to it and arguments in respect of any policy that that budget shows, and finally the reply will come when the Standing Finance Committee has gone through it and presented its report, so that at this stage for anyone of us either to ask for its rejection or adoption is not the right time.

With those remarks I resume my seat.

MR. COOKE: Your Excellency, I would like to congratulate our hon. friend the Financial Secretary, not as it may seem, on his speech, but on the fact that the educative influences which I hoped I had been having on him in these past few years seem to be at last producing an effect. For whereas my hon. friend said last year that he could see no merit in my proposal for a petrol tax and a road fund, he has gone so far this year as to say he thinks the arguments in favour of them probably outweigh the odds against them! I might felicitate him also on living up to the reputation I gave him of being a "Vicar of Bray", because whereas in the Woods debate he said he saw no reason for budgeting for a deficit

[Mr. Cooke]

he has in fact budgeted for a deficit of about £50,000. I do not know what led him to take such an extraordinary course which, so far as I know of economics, has cut right across what all the economic experts of the day say, that you should never budget for a deficit at a time when revenue is buoyant, I say all the experts—I had forgotten, of course, my hon. friend the General Manager, who last year budgeted for a deficit of £60,000 and this year is going to have a surplus of £800,000. (Laughter.) I do not know whether these two gentlemen are proposing to found some new School of Economics, which might perhaps be called the Nairobi School of Economics, when one recalls the Manchester School and that sort of thing, but its theory might be something like this: that in any given year, if you budget for a deficit, you can usually count on having a surplus of about twenty times that amount! It sounds like the old game—think of a number of double it.

Turning to revenue, I should like to say first of all that I cannot associate myself with a good deal said by the hon. member for Nairobi South. He and I have the same purpose in view, to promote the peace and prosperity of this country, but we have different methods of approach, but while I cannot agree with many of his conclusions I am going to try and support some of his suggestions.

The first one is this. I was rather surprised that the hon. Financial Secretary, who had adopted so many of the recommendations of that very clear and logical report of Sir Wilfrid Woods, had failed to adopt some of the other suggestions as well. For instance, the tax on sugar. I entirely agree with my hon. friend that we must put this tax on sugar. I know the hon. mover said it is hard on the African population, but I cannot imagine that Africans who are prepared to pay Sh. 1 per lb. in the black market for sugar will really find a great hardship in paying three cents extra, and it will catch those gentlemen whom the hon. member reminded us last year he was determined to catch, those better paid Africans who consume sugar. That, as Sir Wilfrid Woods points out, will bring us in £90,000. There is also a tea cess. I support the hon. mover in that. That

is calculated to bring in £6,000. At the same time I also cannot see why we should always be at the heels of other territories in these matters. If they cannot agree with us it is just too bad, and I do not see why we should forfeit revenue because they have some concern about an outcry in their own country.

In that respect I would also, if I am not being irreverent—I mean irrelevant!—refer to a matter which came up in an answer the hon. mover gave me the other day, when I suggested that pensioners going on leave pending retirement should be encouraged to come back here by giving them a rebate or assisted passage, because as the hon. gentleman agreed himself in answer to my supplementary question, it would be economic to get these gentlemen back to this country, where they could spend their pensions and help to pay our taxes. His reply in that case also was that Uganda and Tanganyika did not agree. I cannot see what possible adverse effect it would have on Uganda for a few pensioners to come back to this country.

MR. TROUGHTON: On a point of personal explanation, the fact is that Kenya did not agree.

MR. COOKE: Thank you. But that does not appear from the Hansard report of the matter.

With regard to revenue, I should like also to advocate—I know I will not be very popular—an increased consumption tax on petrol. The present consumption tax, I think, brings in £140,000 or something like that, and I calculate that if the 32 cents which is at present levied is brought up to 50 cents we would be adding about £70,000 to our revenue, and that, too, would hit, and rightly hit, a number of people in this country who are driving all over our good roads in very heavy lorries at 40 or 50 miles an hour and undoing all the good work that has been done in the construction of those roads. This would amount, plus the sugar and tea tax, to about £160,000 extra.

With regard to petrol, I cannot see why the Uganda Railway gets a rebate of 10 per cent—I think I am correct—and also the military. I think they should be asked to pay fully in future. The Uganda Railway is a self-accounting and independent department, if it can be

[Mr. Cooke] called a department, and I do not see why we should have to contribute to swell its very high revenue balance.

With regard to expenditure, page 36, Administration, General Staff, I am going to oppose this increase of administrative officers. When I was an administrative officer and my hon. friend the Chief Native Commissioner was district commissioner or district officer, we were everything in one. We had to be policemen and doctors and lawyers and magistrates and undertakers, and, if necessary, even hangmen, but to-day the Administration is assisted by all sorts of people. There are extra resident magistrates; there are ten native administrative assistants; there are extra police; and they have got extra welfare officers, and from many other sources they get help. I cannot see for the life of me why it is necessary to increase the Administration, in consideration of the amount of help they are getting from extraneous sources. Personally, I think the whole set up of the Administration is completely and absolutely top-heavy. As soon as the present provincial commissioners retire I think there should be no appointment of provincial commissioner. I should like to see district commissioners given more authority, and more pay if necessary to cover that authority, and they should deal directly with headquarters. Nor do I see any real reason for the continued existence of the office of Chief Native Commissioner, unless he is given executive authority. If he is given executive authority and uses that authority, there is every argument in favour of the retention of the post, but at the present moment he is really, I think—it is not his fault, obviously—doing the work of what might be a Deputy Chief Secretary.

Next is the Information Office, Head 61. I am going to advocate the abolition of that office. For an office like that to be kept on all these years it must be conspicuously successful. I admit it is successful, but I do not think we are warranted in these hard times in keeping it on. This is no criticism of that genial and efficient gentleman who is at present Information Officer, but I think he should be employed in another capacity, in an advisory capacity, and I should like to see the work of this office carried on by unofficials, of course, under strict super-

vision with regard to films by the Welfare Officer. That would save a lot of money. Besides, I think everyone criticizes the stuff the Information Office puts out. Only the other day it put out something which was egregious about yourself, sir, to the effect that you had gone to the chief fingerprint expert and got a *kipande!* Well, now, I wonder if they really think that that is going to have any effect on the Africans of this country. Surely it would rather fill them with hilarity than anything else! One might even ask if you carry on your person one of these kipandes, whether the Attorney General would say that you were liable to all sorts of pains and penalties if you do not! That is a typical case of the futility of the Information Office at times.

MR. HYDE-CLARKE: On a point of explanation, the fault is mine, not the Information Office.

MR. COOKE: I am very sorry! I regarded the hon. gentleman as having very much more commonsense. (Laughter.)

The abolition of the Information Office would give us £18,000 roughly off the expenditure side.

Now I come to something more serious and I must apologise for having to mention it, but I regard it as my duty. Page 145. There is a little item at the end of the page, "Construction of Head Works and Canals at Taveta, £10,000". When the Taveta and Ziway schemes were started in 1942 the advice of my hon. friend the Director of Agriculture, and the advice of his expert soil chemists with regard to Taveta was not to go ahead. They said that the land would prove brackish and that it would not be an economic proposition; in fact, would not produce the goods. Since that date there has been expenditure on Taveta and Ziway by this Government £170,000, practically all of which has gone down the drain, both literally and metaphorically, and in addition would not be unreasonable to say that the military authorities have spent £30,000. There you are, sir, £200,000 spent by this country, when we are told all over the country to-day that we cannot afford this or that. That sum of money would relieve the income tax payers of this country of Sh. 1 in the £ for one year. I am going to ask Your Excellency to have a sworn

[Mr. Cooke] commission of inquiry into the expenditure of this money and as to why this scheme was pursued in defiance of the wishes of the Agricultural Department, and pending that inquiry I shall oppose now and in Standing Finance Committee the expenditure of that sum of money.

With regard to Kibarani, I think all of us very much welcome this expenditure. We feel that the future of the Coast lies in horticulture and the cultivation of fruit, and Your Excellency's advisers have recently sent down a very good expert, and I hope that he will be kept there so that he can do a good permanent job of work. But with this fruit cultivation there must be cattle rearing, and that cannot be done without cutting down bush, on account of tsetse fly, and when Mr. Daubney was here he advised that the grasses on the coast were eminently suitable for cattle. It would work very well with fruit growing, because the trees could be manured more readily. I am told, possibly quite wrongly, that my hon. friend the Member for Agriculture is at the moment holding up the clearing of bush at Kilifi. I understand the Provincial Commissioner and others have come to an agreement about it and that it is now being held up this end. We cannot go on always holding up these things; people get tired after long waiting for progress to be made.

Finally, I come to education. I am one of those who believe that lack of literacy in this country among the African has militated more than anything else against the progress of this country, and I welcome very much what my hon. friend, the chairman of the Development Committee, says in paragraph 31, in which it is stated we would be facing economic disaster unless we had—this is shortly what that paragraph means—universal literacy and mass education. But I was rather disappointed in paragraph 81. He seems to have rather modified paragraph 31, because he talks about the possibility of not being able to afford literacy. There are many arguments in favour of literacy for natives. I think one of the chief ones is this, that at present the few literate natives are put on a pedestal and everyone likes to become a black-coat worker, because there are so few literate natives. If there

were a greater number of literate natives there would not be such reverence for literacy. A South African writer calls it the "prestige of literacy". The Development Committee report says one cannot get across these big lessons about hygiene and rehabilitation of the soil, etc., without literacy among the natives. That has been found in South Africa and India. In fact, I read the other day in one of the very valuable South African information sheets which are sent round that the literate native does many times better work in a factory than the illiterate, because you can teach him his trade much more easily. Of course, we know that the Russians came to this conclusion and the army of occupation in this country came to the same conclusion. To those who are concerned with crime in this country I should like to mention that in the report on approved schools written by the inspector last year, he drew attention to the fact that both in England and this country among juvenile delinquents the proportion of literates was very small indeed, and he attributes juvenile delinquency to lack of educational facilities. As everyone knows, the juvenile delinquent of to-day is the old jay to to-morrow and we must curb this tremendous increase in crime in this country.

For these and other reasons it is essential, in my view, to have universal literacy; in fact, I think the whole structure of the Development Report depends on that. The report has very well suggested that African parents must contribute, and they have put the sum to be paid at Sh. 15 a year for each child, which will bring in at the end of a year £300,000. The Education Advisory Board feels that we will not be able to collect that—it is beyond the means of so many parents. That is a matter of opinion, but the members of that Board are perhaps in the best position to judge. But I do say that, having made every effort to collect the money—and I think the African has got to pay for what he gets—and having failed, we should try to get something from the Colonial Development and Welfare Vote, capital money for recurrent expenditure. I have here a dispatch of Sir Henry Moore's of 1943, paragraph 18, in which it appears that Mr. Malcolm MacDonald, then Secretary of State, did envisage giving money from the Colonial

[Mr. Cooke] Development and Welfare Fund for recurrent expenditure, and I suggest that, if possible, we should try and get a million pounds, or at least though the English people are. We may reckon that our recurrent expenditure for five years will be at the rate of £200,000 a year. We must make up any deficit in fees, because it is absolutely essential to go ahead with this literacy campaign.

I am going to suggest before I sit down that I have no sympathy whatever with the war of hostility to the budget spreading all over this country. They are unwarranted attacks on Government, in my opinion, and suggestions mainly come from those well off that there should be a remission in the income tax rate. My sympathies are entirely with the lower paid groups. If any of the higher paid groups think they are too highly taxed I would be quite happy to exchange my income with theirs! But I suggest that £200,000—which I suggest could be saved and earned; that is £90,000 on sugar, £6,000 on tea, and it may be £70,000 or more from extra petrol tax, and by wiping out the Information Office, roughly £20,000; and by cutting down on this proposed increase of staff for the Administration, and, of course, you have that £10,000 saved from this precious Taveta scheme, and you get some £200,000. That suggestion would not in any way interfere with the development programme. It would bring in more revenue, more evenly distributed for every section of the community, and give as a relief Sh. 1 in the £ to the lower income groups of this country. I think they have a very good case. There is no doubt about it that they are suffering a lot, and I think that would be a fair measure to meet the wishes of the people of this country.

I am one of those who think that this Development Committee report is tied up intimately and completely with the budget. If we do not pass this budget more or less in its present form we must jettison the Development Report, and if we jettison the Development Report we jeopardize settlement in this country. Anyone who says we can budget for a large deficit and cover that by our surplus balances, I think is not aware really what our surplus balances are. On page 6 there is mentioned a sum of two mil-

lion pounds, but that is necessary to cover our contingent liabilities. Therefore, I submit it would be dishonest to use that money to cover any deficit which certain people are asking for. It would be like a man going into the bank and asking for an overdraft and putting in certain securities and five minutes later selling them; the bank would have no security whatever. The people who say what about the excess profits tax and war-time contingencies fund are asking for money which we have already promised to development—they cannot have it both ways. I think my colleagues on this side of Council, if they are going to make destructive criticisms of Government, when they follow me, have got to show how they propose to carry out the plans envisaged in the Development Report, and at the same time budget for a deficit and make these enormous income tax reductions. If they can do that I am sure the hon. Financial Secretary will be only too glad to take their advice, as I am sure he is open to reason.

At the beginning of my speech I was somewhat caustic at the expense of my hon. friend, so I will conclude by wishing him well in the passing of a budget which is courageous and well received. I beg to support.

MR. NICOL: Your Excellency, in rising to speak to this motion I must, at the outset, make it perfectly clear that I cannot accept Government's proposals as set out in the Draft Estimates. That applies particularly to the revenue side and to the apparent attempt on the part of Government to force on the colony war-time taxation as part of the basic fiscal structure of the colony for the future. And I wish to subscribe to every word which fell from the lips of our leader, the hon. member for Nairobi South. I think there is a lot of loose talk, and if I may say so, muddled thinking, when people try to compare taxation in this colony with taxation in the United Kingdom. It is entirely wrong to compare the taxation in a highly industrialized country with the taxation of an agricultural country such as this, which has not really got out of its pioneering stage. High taxation kills initiative, and that is very apparent in the United Kingdom to-day, and initiative will be killed in this country also, by the same method, and surely initiative is one of

[Mr. Nicol] the things we most urgently need for the development of this country.

When we talk about relief of income tax, in the basic rate of income tax, a few people seem to think that that is a selfish demand of the high income groups. It is nothing of the sort. I think we are all agreed that those who can afford to pay must pay more than others and should pay more than the others. What we want is relief for the low income groups. Nevertheless, it is not everybody who, when they reach the beginning of their old age, is fortunate enough to come in for a pension. We do not have old age pensions in this country available for those who have not been able to save in the past, as they do at home, and particularly in a pioneer country like this if we want people to settle they must be enabled to save, but with taxation as it is to-day and, indeed, even with the hope of relief, the low income group of people find it extremely difficult to save anything at all, due to the high cost of living. Again, from a farmer's point of view, he should at least be put into the position of being able to save so that his estate when he dies will be able to pay that iniquitous tax, estate duty! And not throw a load around the necks of his heirs so that they become a burden on the public.

One hears frequently the argument that the married man with two children on £1,000 a year pays approximately £62/10 per annum in income tax. I maintain that the people who require relief to-day are the low income groups, the young married couple, and also the young man and woman. For example, take a person on a salary of £360 per annum. On the present basis of taxation, I think I am correct in saying—the hon. Commissioner of Inland Revenue will correct me if I am wrong—that a person on £360, a single person, pays £24. My hon. friend agrees. That is £2 per month, and I submit that with the cost of living as high as it is to-day, high rents and the like, £2 to a person drawing £30 a month is quite a consideration. Besides the ordinary cost of living, rent, food and things like that, the high price of consumer goods is another very strong case for consideration to these low income groups.

As has already been said to-day, and I repeat it, one of the reasons for high

taxation during the war was to curtail spending power, and by curtailing spending power to curtail the demand for consumer goods and so save shipping space. Now I think that reason has disappeared and if we are to help the export drive of Great Britain one should encourage spending power and one should encourage the consumption of consumer goods.

Coming to this question of customs, duties at the moment are extremely high, and I think it would be entirely wrong to incorporate the surcharges into the basic tariff without very, very much more careful consideration. In effect, all the communities of this country are penalized by these high rates of taxation. The suggestion to incorporate these surcharges into the basic tariff has already had the effect that certain merchants have cancelled orders for goods because they fully realize that people will not be able to afford to pay the prices at which these goods will have to be sold. The cost of manufacturing goods has gone up enormously, and also, speaking generally, the finished article to-day is not as good as it was pre-war, and I think members will agree that the African is a good judge of quality and he knows as well as anybody else that it is quite uneconomic to buy an inferior article. For example, take cotton blankets. Before the war the African was able to buy these for Sh. 1/40, to-day the price is from Sh. 8 to Sh. 11, an increase of about 60 per cent for a very much inferior article to the pre-war blanket. Some of those that have already arrived are really disgraceful. The African cannot afford to pay these prices. I would ask you, sir, has the earning power of the African or, indeed, that of the lower paid European or Asian in this country, has his earning power gone up 250 to 600 per cent as has the cost of a lot of these goods? I submit that they cannot afford to buy them now.

In regard to the customs tariff, I should like that to be gone into with a very fine toothcomb by officers of the Customs Department, who are experts in this matter, assisted by the Economic Adviser and representatives of commerce. In fact, I should like to see a commission also set up in addition to examine the whole incidence of taxation in this country as it affects all communities, and

[Mr. Nicol] to examine the national wealth, the national income. I fully realize that the business of the colony must go on and that Government cannot continue the business of the colony without money, and that is an added reason why these estimates can only be looked on as an interim or temporary affair. We have got to get down to producing a more equitable form of taxation and to spread the burden. A cut in the basic rate of income tax of a shilling is a demand that has come from all constituencies, and I submit that that demand cannot be ignored, and in view of the startling figures the hon. mover gave us last week in regard to anticipated surplus, that demand is even more justified than before, and I feel quite confident that, even if you do reduce the basic rate by a shilling as suggested, your revenue will be sufficient to maintain even the expenditure estimates as they are framed at the present moment.

Of course, it is quite easy to be destructive, but there are other means of raising revenue, which should receive careful and close attention. It has already been suggested that there should be an increase in the excise on sugar, that an excise on tea should be imposed, with which I entirely agree, and my hon. friend in the debate on the Woods report threw out a hint, I believe, in regard to a betting tax. They are examining that form of tax in England, and I understand that in South Africa there is a 12½ per cent tax on all winnings, and it proves a very profitable source of revenue to the Government. Again, I do not see why we should not have state lotteries. Some people say it is not sound finance. There must be an enormous amount of money leaving this country and going into sweepstakes and the like. Let us trap that money here and keep it. You will never stop people gambling. Everybody will have a gamble if they get the opportunity, and we might as well benefit from that form of amusement. I am quite certain that there are many other ways of raising finance which no doubt will occur to other hon. members.

I was very interested to hear the hon. mover saying that these estimates—he was referring to the revenue estimates at the time—had been framed on a very

conservative basis. I suggest that that means he is fully alive to the fact that he has under-estimated the revenue which, I submit, is not the correct thing for Government to do without laying their programme before the country. I am going to agree with him—this is making him smile. I agree with him that in the past I have been consistently wrong in my prediction of the revenue from customs, and at the risk of being wrong again this time I am going to say that he has under-estimated the revenue which should be derived from customs in the coming year. I am going to say further that while I agree that the estimates as presented are the Government's estimates, presumably they were framed on the advice received from the Customs Department, and I would ask the hon. Acting Commissioner of Customs to tell us what the Customs Department estimates are for 1947.

In regard to income and personal tax, I suggest as another means of relief to the lower grade incomes that you revert to the pre-war practice whereby personal tax was allowed as an offset to income tax, and I should like to ask the hon. Commissioner of Inland Revenue if he will state the estimated figure of un-assessed income tax, both companies and individuals, since the beginning of the war. That is not the tax dodged, but the tax which he has had returns for and has not yet been able to assess. On the question of the evasion, I think that when people talk about evasion what they are really referring to is money which has accrued to the black market. I sincerely hope that something will be done to get at these ill gotten gains, because such will be welcomed by all communities except the black market.

A little time ago there was a rumour that Sh. 100 notes were going to be demonized and, to put it mildly, there was a big flap. I wonder whether Government would now be in a position to call in these Sh. 100 notes and try to get hold of some of that money which is floating about?

I must register my annual protest in regard to estate duties. I consider this is an iniquitous tax at any time, and most definitely an iniquitous tax on an agricultural country, and again I would express the pious hope that we shall be able to get rid of this form of taxation from our statute book.

[Mr. Nicol] Coming to the Post Office, the question of telephones is a matter which is exercising our minds in Mombasa. There are 450 people waiting telephones at the moment, but one of the worst features is that the hon. Postmaster General has been unable to provide a telephone for a doctor who has just set up in practice and who has been there some six or seven months now. He has been appointed medical officer of health to the B.O.A.C.; several shipping companies, and I understand, is being appointed to the Navy. He has not got a telephone, and I do think every effort should be made to give him one. But I do think that in the past, perhaps, sufficient attention has not been paid to the revenue possibilities of the telephone. From figures which I had given me the other day it appears that, taking the Nairobi charges as the basis, you ought to be able to earn by your telephones 15.90 per cent on the capital outlay. So long as the demand for telephones is not satisfied, so long will Government lose a very valuable source of revenue. I understand that one of the troubles at the moment is not so much the question of instruments as the question of lines. It would appear that there has been a certain amount of shortsightedness in the past—before the hon. Postmaster General arrived here, I am not blaming him (laughter)—that steps were not taken to place orders for this material, and I think the position has got to the stage that, if you ask the Secretary of State to accord a high priority for telephone material it would be a very good thing.

The Chambers of Commerce have for a long time advocated that your Economic Adviser or trade adviser, call him what you will, should be a member of this Council, and I must say that I understood that he was to be a member when he was appointed to the post. I do feel that it is most necessary that we have someone on the other side of Council who can look after the affairs of trade and industry and to advise Government and ourselves on these matters, so that I hope something will be done about that.

With regard to the expenditure side, it must be appreciated that as the colony progresses so naturally the recurrent expenditure must go on, and that with the

depreciation of the costs have gone up enormously as well, and on this I want to say something about salaries. Some people have been criticizing the fact that there has been an increase in some of the super scale posts. Salaries at all times should take into consideration the responsibility that the post carries. If the holder of the post is not giving full value for the money he is receiving, he should be got rid of and a more competent person appointed. There is much truth in the old proverb that "the labourer is worthy of his hire", and if you are going to pay second class salaries you are only going to get second class people. There is a general demand that Kenya should have the best, therefore we have got to pay salaries to attract the best people, the best brains, to come to this colony.

I think it is high time for a revision of salaries apart from the super scales, and at the present moment I think it is only right that it should be on record that there is considerable discontent in the lower ranks of the Civil Service of the colony. I was most impressed just recently when I was in Mombasa that discontent was so bitter. Apart from the basic salary, there is also discontent because they feel that the Government have been very slow in implementing their promise to accept the recommendations of the Mundy report. The Mundy report, on page 13, says this: "We accordingly recommend that for the purposes of a cost of living scheme the variations of the cost of living be gauged by means of a factor which, with the price level index at 155 at December, 1943, should be regarded as 50 per cent and which should vary, up or down, by 5 per cent when that index varies by 6 points". I understand that the cost of living index has risen to 65 per cent, but the cost of living bonus has not been increased—my hon. friend the General Manager and my hon. friend the Financial Secretary are both shaking their heads; well they will no doubt reply to that. That is what I have been informed and we will let it go. I am very glad to learn that Government has implemented a promise! (Laughter.)

I should like to ask my hon. friend the Commissioner of Mines when he proposes to open up the coastal area for mining prospectors. I think everybody will agree that we should develop to the full our

[Mr. Nicol] observation the worst offenders happen to be European personnel. I do hope that the new General Officer Commanding will take steps to impress upon anybody who has to use a vehicle that they have got to drive carefully and in accordance with the laws of the country.

I had hoped that ere this we would have received a copy of the recent report on police terms of service. I do feel that this very excellent body of men have had a very raw deal in the past and little consideration has been given to their terms of service or, indeed, to the numbers required for them to carry out their very difficult jobs. I should like to take this opportunity of paying a tribute to the police. I was one of those unfortunate people the other day who had my house burgled, but due to an extraordinary good piece of work on the part of a forest guard and a police constable, two of the thieves were apprehended and a fair amount of my property returned to me. I think they did a very, very quick job of work and I am very grateful to them.

The prevalence of crime in this country is most disturbing and strong measures must be taken to bring it out. The argument that crime is the natural outcome of a war should not be allowed to distort the position. I understand my hon. and learned friend the Attorney General has under consideration the introduction of an Habitual Offenders Ordinance. I understand the law in England is that such a measure prescribes a minimum sentence of ten years and a maximum of fifteen. I am very surprised to learn that we have not got a similar law in this country already, and the sooner such a measure is passed through this Council the better. It would be a very interesting thing to know the value of the goods stolen in this country in the past eighteen months, because if the equivalent amount had been spent on the police force there should have been a considerable reduction in crime generally.

There is another point I wish to draw attention to before I leave this question of police, and that is the bad driving that is noticeable on the roads here, and particularly in this town. The bad driving in the main is by lorry drivers. You cannot get their numbers because the numbers are not visible, and some have no numbers at all; also at night many travel without lights; and, of the military driving I am sorry to say from my own

observation the worst offenders happen to be European personnel. I do hope that the new General Officer Commanding will take steps to impress upon anybody who has to use a vehicle that they have got to drive carefully and in accordance with the laws of the country.

Under item 17 of Civil Aviation we grant a subsidy on account of a refund of customs duty on petrol consuming a tax of £20,000 to B.O.A.C. I understand the airmail to this country is supposed to come out by the York service, and the York service takes three days from London, or should do, and therefore it should be possible for a letter posted in England to be delivered in Nairobi in five days. Since I have been back this time, 90 per cent of the letters which have come out to me from England have taken nine and ten days. Perhaps my hon. friend the Postmaster General could take this matter up with the authorities at home and find out what happened. Apart from delays, I must say that I do feel that when you pay these high prices for passages from England to this country and on to South Africa, you expect some consideration when the aircraft breaks down. You do not expect to be stranded for four days in an unpleasant climate without some attempt to send a relief aircraft. I think the Corporation is inclined to be somewhat cavalier in their treatment of the travelling public.

I am not going to be very long now. With regard to the Development and Reconstruction Authority's estimates, I want to say first of all that I support wholeheartedly the principles enunciated in the Development Committee's report. I have no doubt that these will be subject to alteration or modification in the light of experience gained, but on the subject of development finance I should like to say a word.

I believe that the way these development schemes are being financed is the wrong way. I believe that the time is fast approaching when we have got to get away from the accepted orthodox method of finance as understood to-day. There is a growing support in the United Kingdom for the principles advocated by the Economic Reform League, where the wealth of the country is gauged not in terms of gold but by the natural asset, which is the land, plus the services which the indigenous population can render. I

[Mr. Nicol] do not propose to go into the details to-day, but I will lay on the table a memorandum which I have produced at the request of Sir William Goodenough, perhaps hon. members would like to have a look at that document, and I hope that some thought will be given to it. I think I might say briefly this, that if you take the Colony's revenue as it is to-day at £6,000,000, that at 2 per cent can be said to represent a capital of £300,000,000. If we can prepare a long range plan going on for 100 or 150 years for development with the knowledge that we can get that amount of money, we shall be able to get somewhere.

Briefly, what is required is State created money which would be debt free, as opposed to bank created money, which is loaded from the start with debt. I think it would be agreed that the orthodox method of finance which has grown up over the last century has been responsible for the last two wars and is, indeed, heading us towards a third war. If a change in financial outlook is not made speedily by the time you are halfway through the development programme envisaged in this report you will probably find that we are embroiled in an even worse death struggle than that from which we have just emerged.

There are two points on the subject of tourist traffic I should like to mention, they are—I do hope some instructions will be given to the Immigration Department not to put awkward matters in the way of prospective tourists, and that after a tourist has been here a month I think I am correct in saying he is stung for personal tax. If we want people to come out here and spend money, and these tourists are very valuable from that point of view, I suggest they should not have to pay personal tax until they have been resident three months.

Another point I should like pursued and I should like answered, because it does have a vital effect on tourist traffic, is, what is the position with regard to an archaeological survey of this country. I was under the impression that that was going to be carried out this year, but apparently that has fallen through. I do not know whether it is because we cannot get the other territories to agree, but

if they do not agree to come in I see no reason why we should not have our own archaeological survey. I must say I am very glad indeed that the Pan-African Conference is to be held here next year. That will have a great advertising effect.

I am nearly done! To sum up. When this budget comes back from Standing Finance Committee it is necessary that the Government should make an announcement that Sh. 1 will be taken off the basic rate of income tax; that an immediate investigation will be held into the customs tariff; that an investigation will be held in the new year to inquire into the national wealth of the country and make recommendations for spreading the incidence of taxation on an equitable basis among all communities; and that it is very definitely understood that we do not accept war-time taxation as being in any way part of the fiscal structure of the Colony.

In order to emphasize the seriousness of this point I am going to swing from seriousness to light humour, with apology to Lewis Carroll and nobody else, and I will read you just three stanzas which I produced this week-end:—

Will you budget a bit lower,  
Said our Alfred to our Jack:  
There are some chaps behind you and they'll  
Spring upon your back.  
See the Flected Members they eagerly  
advance;

Will you, won't you, will you, won't you,  
come and join the dance?

You can really have no notion how delightful  
it will be to you.  
When they take up this 'ere budget and throw  
it in the sea.

But Jack replied "Too far, too far," and gave  
a look askance.  
He thank'd our Alfred kindly, but he would  
not join the dance.

"What matters it how far we go", his massive  
friend replied;  
We can produce a new one and make them  
satisfied.

So now come back to sense my boy, and  
really take a chance.  
Oh do be stout my dear old Frodo, and come  
and join the dance!

(Laughter and applause.)

His EXCELLENCY: It is a pity we do not have a Poet Laureate!

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on  
Wednesday, 20th November, 1946.

Wednesday, 20th November, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 20th November, 1946. His Excellency, the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

#### MINUTES

The minutes of the meeting of 19th November, 1946, were confirmed.

#### ORAL ANSWERS TO QUESTIONS

##### No. 64—COMPULSORY EDUCATION FOR AFRICANS

MR. MATHU:

In view of the fact that Government has introduced compulsory education for all European children in Kenya and all male Asian children in the large towns of the Colony, will Government please state in unequivocal terms why they cannot introduce compulsory education for African children in Nairobi, Mombasa, Kisumu and Nakuru at an early date.

MR. LINDSAY: The early introduction of compulsory education for African children in Nairobi, Mombasa, Kisumu and Nakuru is precluded by the present shortage of teachers and by lack of suitable accommodation. The Government is anxious that educational facilities should be extended as widely as administrative and financial considerations permit, not only to children in the larger towns but also to those in rural areas; although universal education remains the ultimate objective it will be appreciated that it will be many years before this can be achieved. As the hon. member is aware, the Development Committee has put forward a plan which envisages universal primary education for all African children within a period of twenty years.

Special consideration is now being given by the Education Department and School Area Committees to the development of educational facilities for African children in municipal areas, but it is unlikely that it will be practical to introduce compulsory education in these areas for some years to come.

MR. MATHU: Arising out of that reply, Your Excellency, is Government satisfied with the progress being made with

the production of teachers so that these teachers could be available in the quickest time, and thus enable compulsory education to be introduced and started in these towns in the shortest possible time?

MR. LINDSAY: In answer to the hon. member, Government is pressing forward with plans for the establishment of training centres so that more teachers may become available as soon as possible.

MR. COOKE: Why does Government not expedite the erection of the training centres at Embu and Maseno which have been in the air for a long time now and nothing has been done.

SIR GILBERT RENNIE: That is a matter peculiarly within my knowledge, and I should take up the time of Council for a long while if I gave a full explanation now.

MR. COOKE: But can you give me an assurance that the construction of these centres will be expedited, which is all that I want?

SIR GILBERT RENNIE: The answer to the first-part of the double question is in the affirmative. (Laughter.)

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

The debate was resumed.

MR. EDVE: Your Excellency, in rising to support the views expressed by the hon. member for Nairobi South in yesterday's debate, I would hasten to assure hon. members that I do not intend to waste the time of this Council by unnecessary repetition. I must, however, make it clear that I am in entire and wholehearted agreement with the principles of objection to the Draft Estimates and with the "minimum demands" as voiced by my hon. friend. Since, however, these have been so clearly expressed and in a manner which can leave no reasonable doubt as to the views of the European community in general—despite Your Excellency's 15 per cent!—there would be no useful purpose served by my labouring these points further.

The hon. Member for Nairobi South has, however, on checking through this morning's reports, realized that he has omitted an important point, which he

[Mr. Edve]

has asked me to make for him. This refers to Paper 191. He says: "I can assure you that we will be very ready to 'examine' any 'further' proposals Government may produce for the co-ordination of inter-territorial common services, and personally, taking the picture as a whole, I think it would be a thousand pities and I should deplore any action of the Government at the present time over the present budget which would cause any doubt in the minds of the European electorate, as to Government's real desire to co-operate with them and thus jeopardize and prejudice consideration of Government's proposals".

There are, however, certain other matters upon which I should like to comment, upon which in some cases I would seek further information.

My first reference is to the Development Committee report, and before touching on any matter of detail I should like to pay tribute to the excellence of that report. It is easy to criticize the work of others without appreciating their effort, and I for one most sincerely appreciate the effort that is now being made to grapple with the appalling difficulties which face this country to-day.

My hon. friend the Financial Secretary in his presentation of the Draft Estimates said: "Once the programme is approved the Authority should be able to go ahead without constant reference to the Standing Finance Committee, etc." This was with reference to the engagement by the Authority of junior staff and so forth, and I personally find no fault with the principle contained in that paragraph. In fact, I feel that heads of departments operating under D.A.R.A. and within the moneys allotted to them should have the same freedom. It is obvious if action is to be ensured—and the paramount need is for action—that we should remove all pettifogging restrictions, but it must be remembered that this Council has the right to know just what action is being taken. I would suggest, therefore, that slightly more comprehensive progress reports, or shall I say interim reports, be issued from time to time. These need not contain much detail, but should show in broad outline how the moneys voted are being spent.

I realize that this may mean extra work to produce, but I do feel that it would be worth while, even if only to allay the inevitable rumours which will arise as to what is really being done, and will give hon. members on this side of Council information which it is necessary for them to have.

Referring to agricultural and veterinary services, I see from the appropriate section of the report that it is stated that the present quota system for live stock purchases will end this year and alternative proposals are to be submitted by the Member. Can he now tell us whether these alternative proposals have been submitted and whether they will be introduced in January of the coming year?

Similarly, I notice a recommendation for the training of European youths, through bursaries, for the veterinary service. In view of the time that this takes—that is to say the training before they can become veterinarians—I would ask if these recommendations have been worked out in further detail with a view to getting them started.

I notice under dips that it is feared that a cost of £200 is likely to be an under-estimate, that is to say £200 per dip. By how much is it feared this is an under-estimate? I was told recently from a very-reliable source that the estimate put in by the Public Works Department for 100 dips in the Lumwa Reserve was £65,000—or £650 per dip. I can only say, if this is true, that the estimator must be under-studying for a leading part in "Alice in Wonderland"!

In paragraph 46 of the report, reference is made to a statement to be issued by Your Excellency and by the Member for Agriculture. I presume this has been fulfilled by your dispatch No. 44 and by Circular No. 1 by the Member, both of which have dealt with the agrarian problem in a comprehensive manner. I hope, however, that some detail of the progress and translation into action of the principles enumerated will be given in an interim report or by special circular in the near future. I say this in no spirit of carping criticism, for I appreciate the magnitude of the task in front of us, but I personally feel that the public are anxiously waiting to hear in some greater detail just what that action is likely to be. In your recent dispatch, sir,

...Nairobi...  
...willing to be...  
...being...  
...improved...  
...and...  
...the people.

...Adeyemi...  
...the final survey...  
...the following words: "Let...  
...what I mean...  
...of money...  
...Reconstruction...  
...is to be disposed...  
...the development...  
...the basis of...  
...per annum...  
...and prepared...  
...of the African...  
...money is just...  
...that at the...  
...the African...  
...the Development...  
...Authority...  
...to bring about...  
...which the plans...  
...carried into...  
...etc.

The answer of how the Government...  
...with this difficult...  
...the means with which...  
...the African from...  
...and for this...  
...the confidence of the...  
...the Government plans.

...to the Draft...  
...I was very glad to hear the...  
...to be able to hear the...  
...in a...  
...According to the...  
...report, applica...  
...the Secretary of State...  
...1944, for a free...  
...Development...  
...for the purpose of...  
...or another...  
...to be undertaken...  
...on our own...  
...that we shall not next year...  
...with...  
...results.

My dear friend, in moving the resolution...  
...the Draft Estimates last year,

...the fact that the best...  
...may be available...  
...is being...  
...by...  
...the services...  
...whether...  
...of this...  
...why not...  
...I trust that...  
...a manner which...  
...to retain them...  
...which resulted in...  
...of an mine and...  
...and excellent...  
...in this country...  
...will not be...  
...is a survey...  
...of the future...  
...of the plan.

It regards to the...  
...of the hon...  
...I sincerely hope they...  
...to every...  
...of the...  
...I am...  
...the Mines...  
...who are...  
...to regard...  
...to themselves...  
...than the potential...  
...to the Colony which...  
...a financial...  
...to the direct...  
...and the money...  
...spent by those...  
...I might also...  
...this type of...  
...other kinds we...  
...heard about...  
...recently.

In this connection, I should like a...  
...of the Government as to why...  
...despite its...  
...and proposed...  
...has not yet been...  
...to legalized...  
...I understand...  
...to be highly...  
...from a...  
...and that...  
...a...  
...some time...  
...received from...  
...State...  
...to be taken...  
...to increase...  
...of Empire...  
...I do not...  
...that it was...  
...suggested that...  
...which should...  
...be...  
...the African...  
...in a closed...  
...that is what...  
...without...  
...doubt...  
...a fairly large...  
...scale.

(Mr. Edye)  
...and illicit gold buying are...  
...among certain sections of...  
...the population and are causing...  
...grave concern to the Mining...  
...Department. Yet...  
...and here I may be subject to...  
...correction—I understand, for...  
...purely administrative...  
...reasons; this area is kept...  
...closed, which closure greatly...  
...assists this illicit working...  
...Not only that, but it is...  
...balking the initiative we...  
...require in getting this...  
...industry on to its feet and...  
...is also losing valuable...  
...revenue to the colony.

I must, however, in all fairness...  
...point out one expenditure...  
...saving fact, and that is...  
...that the mines inspectors...  
...have been able to keep...  
...themselves freely supplied...  
...with tools captured from...  
...the illicit workers! Apart...  
...from that, however, as I...  
...have just said, the loss from...  
...illicit gold buying is...  
...considerable, and the necessity...  
...for a properly trained...  
...section of the Police Force...  
...with a knowledgeable man...  
...in charge, and in some...  
...cases with an improvement...  
...of security measures on...  
...the mines themselves, is...  
...most urgently required...  
...Last my hon. friend, the...  
...Financial Secretary should...  
...revert that there is...  
..."another request for...  
...further expenditure. Let...  
...me say at once that...  
...competent opinion conforms...  
...to the belief that the...  
...money so saved would...  
...far exceed the cost of that...  
...section. Its introduction...  
...from a law and order...  
...point of view needs no...  
...stress. The position is, of...  
...course, further complicated...  
...by the fact that the...  
...Home Government has...  
...pegged the price of gold...  
...at £8/12/3, whereas in...  
...free markets in Bombay...  
...and Eritrea it is...  
...fetching £15, and in the...  
...case of Egypt £20. I...  
...presume, however, that...  
...there is a reasonable...  
...explanation of this...  
...position, but in view of...  
...the disquiet which it...  
...is causing in certain...  
...sections of the mining...  
...industry, I should be...  
...grateful if Government...  
...could give a clear...  
...statement on this matter.

Before leaving the question...  
...of a geological survey...  
...and areas disclosed by...  
...this survey, I would...  
...seek an assurance...  
...from Government that...  
...the interests of the...  
...small worker will be...  
...safeguarded. By that I...  
...mean that it will not...  
...be the policy of...  
...Government merely to...  
...throw open these areas...  
...which are suitable...  
...only for large...  
...companies to operate...  
...I am entirely in...  
...favour of having the...  
...country opened up...  
...by every possible...  
...means, large...  
...companies doing...  
...their own...  
...survey work with...  
...their own geologists

might be of great assistance, but I...  
...do not want to see the...  
...small man lost sight...  
...of; his contribution...  
...to the colony, in the...  
...total, is considerable...  
...and it might be...  
...pertinent to remember...  
...that most of the...  
...large discoveries...  
...have been made by...  
...private prospectors...  
...The man working...  
...on his own behalf...  
...is often apt to show...  
...more initiative...  
...than the paid...  
...employee of a large...  
...company.

Another matter...  
...affecting the revival...  
...of the gold mining...  
...industry is the present...  
...method of assessing...  
...gold royalty. Up to...  
...1937 a flat rate of...  
...5 per cent was levied...  
...on the gross value...  
...of all gold won...  
...Upon representations...  
...made by the Chamber...  
...of Mines, this was...  
...suspended in October...  
...1937. It was...  
...reintroduced in...  
...January, 1940, and...  
...changed in 1941 from...  
...5 per cent on the...  
...gross to 15 per cent...  
...on the profit, but—...  
...and here is my...  
...point—their profit...  
...was calculated...  
...without allowing for...  
...deductions for...  
...capital redemption...  
...One of the reasons...  
...I believe, for the...  
...reimposition of the...  
...tax was to enable...  
...Government to...  
...participate in the...  
...expected profits...  
...which were due to...  
...arise from the...  
...increased price of...  
...gold from Sh. 150...  
...to Sh. 168 at that...  
...time. When it is...  
...realized that even...  
...at the present time...  
...the price of gold...  
...at Sh. 172/25, the...  
...increase is only...  
...15 per cent and...  
...that the working...  
...costs of mining...  
...have gone up by...  
...over 50 per cent...  
...there is not likely...  
...to be very much...  
...profit and the...  
...reimposition of...  
...this tax is merely...  
...a burden and a...  
...drag on enterprise...  
...and defeats its...  
...own object. In...  
...this regard I...  
...should like to...  
...hear from...  
...Government the...  
...actual gold...  
...royalty paid in...  
...1940 and in 1946...  
...in excess of 5...  
...per cent; which...  
...was the old flat...  
...rate. If this...  
...proves to be, as...  
...I think it may...  
...be, almost...  
...negligible, I...  
...would suggest...  
...to Government...  
...that the...  
...remission of...  
...gold royalty...  
...altogether for a...  
...period of three...  
...years would...  
...be of very great...  
...help in getting...  
...this industry...  
...started, and if...  
...the Financial...  
...Secretary feels...  
...as he says he...  
...does as to...  
...that matter, I...  
...hope he will...  
...consider it...  
...favourably. When...  
...it comes to...  
...reimposing that...  
...gold royalty, I...  
...do hope it will...  
...be reimposed...  
...on a basis of...  
...the profits, on...  
...an income tax...  
...basis.

Turning now to...  
...the Post Office, I...  
...am afraid I must...  
...refer once again...  
...to the Draft...  
...Estimates of last...  
...year. To quote...  
...briefly from the...  
...hon. Financial...  
...Secretary's...  
...speech: "The...  
...Post Office, I am



[Mr. Edye] on page 11, you wrote: "Nevertheless, as I said above, Africans are on the whole sensible people and willing to be led when they understand they are being led to their own advantage, and part of our plans must include greatly improved means of giving that leadership and bringing it directly to the people".

The hon. member Archdeacon Beecher in the recent debate on the fiscal survey made use of the following words: "Let me explain very carefully what I mean. If you take the whole sum of money which the Development and Reconstruction Authority has at its disposal, and allocate it on a per capita basis, it will be discovered that monetarily the development of the country is on a basis of roughly Sh. 6 per head per annum. Unless that Sh. 6 per head per annum is wedded to the good will and preparedness to work on the part of the African and other communities, your money is just being wasted, and I submit that at the present time, unfortunately, the African has not the confidence in the African Development and Reconstruction Authority and its plans which is likely to bring about that good will, without which the plans cannot satisfactorily be carried into effect".

The answer of how the Government intends to deal with this difficult and urgent problem, the firmness with which they intend to save the African from himself, is anxiously awaited, and on this answer depends the confidence of the public in the Government plans.

Referring once again to the Draft Estimates, I was very glad to hear the views of the hon. member in regard to the geological survey, views which he expressed in very similar manner in last year's budget debate. According to the Development Committee report, application was made to the Secretary of State as far back as August, 1944, for a free grant from the Colonial Development and Welfare Vote for the purpose of this survey, and for one reason or another matters hung fire. As I now understand it, it is proposed to go ahead on our own and devote £50,000 for this urgent matter, and I trust that we shall not next year be faced with repetition of hopes without results.

My hon. friend, in moving the resolution on the Draft Estimates last year,

also stated that "In order that the best possible technical advice may be available, a mining consultant is being appointed in Tanganyika, but by arrangement with that Government his services will be available to us when we require them". May I inquire as to whether, in fact, any use has been made of this mining consultant and, if not, why not? In regard to geologists, I trust that efforts are being made in a manner which is effective and active to obtain them, and that the policy which resulted in our losing the services of an able and excellent geologist fairly recently, and who has since been back in this country looking for fossilized remains, will not be repeated. What we want is a survey of the future—not of the past.

In regard to the application of the hon. Financial Secretary's views on the importance of mining, I sincerely hope they are accepted in the same terms by every section of the Administration. Let me be perfectly clear, I am not referring to the Mines Department, but rather to certain administrative officers who are, I fear, on occasions more apt to regard the nuisance value to themselves of having areas opened up than the potential value to the Colony which such areas might produce, a financial return not merely confined to the direct revenue, but to the wages paid and the money spent by those operators in the colony. I might also point out that this type of mining is much more beneficial than some other kinds we have heard about recently!

In this connexion, I should like a clear statement from Government as to why the Maragoué area, despite its having been surveyed and prospected by Government, has not yet been thrown open to legalized prospecting, understanding that it is likely to prove highly suitable from a mineral point of view to the small operator, and that furthermore a saving telegram was some time ago received from the Secretary of State urging that all possible steps be taken to increase the output of Empire gold. I do not believe, however, that it was anywhere suggested that the methods which should be adopted should be illicit illegal working by the African population in a closed area. That is what is happening to-day, without any doubt whatsoever, on a fairly large scale.

[Mr. Edye]

illicit working and illicit gold buying are widespread among certain sections of the population and are causing grave concern to the Mining Department. Yet—and here I may be subject to correction—I understand, for purely administrative reasons, this area is kept closed, which closure greatly assists this illicit working. Not only that, but it is baulking the initiative we require in getting this industry on to its feet and is also losing valuable revenue to the colony.

I must, however, in all fairness point out one expenditure saving fact, and that is that the mines inspectors have been able to keep themselves freely supplied with tools captured from the illicit workers! Apart from that, however, as I have just said, the loss from illicit gold buying is considerable, and the necessity for a properly trained section of the Police Force, with a knowledgeable man in charge, and in some cases with an improvement of security measures on the mines themselves, is most urgently required. Let my hon. friend the Financial Secretary should retort that here is another request for further expenditure, let me say at once, that competent opinion conforms to the belief that the money so saved would far exceed the cost of that section. Its introduction from a law and order point of view needs no stressing. The position is, of course, further complicated by the fact that the Home Government has pegged the price of gold at £8/12/3, whereas in free markets in Bombay and Eritrea it is fetching £15, and in the case of Egypt £20. I presume, however, that there is a reasonable explanation of this position, but in view of the disquiet which it is causing in certain sections of the mining industry, I should be grateful if Government could give a clear statement on this matter.

Before leaving the question of a geological survey and areas disclosed by such survey, I would seek an assurance from Government that the interests of the small worker will be safeguarded. By that I mean that it will not be the policy of Government merely to throw open these areas which are suitable only for large companies to operate. I am entirely in favour of having the country opened up by every possible means, large companies doing their own survey work with their own geologists

might be of great assistance, but I do not want to see the small man lost sight of; his contribution can, in the total, be considerable, and it might be pertinent to remember that most of the large strikes in this colony, most of the large discoveries, have been made by private prospectors. The man working on his own behalf is often apt to show much more initiative than the paid employee of a large company.

Another matter affecting the revival of the gold mining industry is the present method of assessing gold royalty. Up to 1937 a flat rate of 5 per cent was levied on the gross value of all gold won. Upon representations made by the Chamber of Mines, this was suspended in October, 1937. It was reintroduced in January, 1940, and changed in 1941 from 5 per cent on the gross to 15 per cent on the profit, but—and here is my point—their profit was calculated without allowing for deduction for capital redemption. One of the reasons, I believe, for the reimposition of the tax was to enable Government to participate in the expected profits which were due to arise from the increased price of gold from Sh. 150 to Sh. 168 at that time. When it is realized that even at the present time, with the price of gold at Sh. 172/25, the increase is only 15 per cent and that the working costs of mining have gone up by over 50 per cent, there is not likely to be very much profit and the reimposition of this tax is merely a burden and a drag on enterprise and defeats its own object. In this regard I should like to hear from Government the actual gold royalty paid in 1940 and in 1946 in excess of 5 per cent, which was the old flat rate. If this proves to be, as I think it may almost be negligible, I would suggest to Government that the reimposition of gold royalty altogether for a period of three years would be of very great help in getting this industry started, and if the Financial Secretary feels as he says he does as to that matter, I hope he will consider it favourably. When it comes to reimposing that gold royalty, I do hope it will be reimposed on a basis of the profits, on an income tax basis.

Turning now to the Post Office, I am afraid I must refer once again to the Draft Estimates of last year. To quote briefly from the hon. Financial Secretary's speech: "The Post Office, I am

[Mr. Edye]

afraid, shows an increase in expenditure and a reduction in revenue. The latter, reduction we have considered it prudent to make, because we hope that something in the nature of an all-up Empire air mail scheme will be introduced or reintroduced. In view of a similar statement in this year's Estimates, I am wondering whether this excuse for decreased revenue is likely to be recurrent.

Another matter which comes under the head of the Post Office was the reference by the hon. Financial Secretary to a large increase in savings bank deposits by Africans. I should be glad if he could give me some indication of what this increase has, in fact, amounted to in the number of deposits opened and whether this is separate from the purely temporary Post Office savings deposits opened for the purpose of handling discharged askaris' last pay certificates and gratuities. I say temporary advisedly, because if I am correct, as I think I am, most of the money—that is the askari's deposits—is being withdrawn as rapidly as the regulations permit. At any rate, that is my impression from having seen the weekly assault on the Kisumu post office!

Arising from this, who is paying for this war expenditure—the War Office, the country's war reserves or general expenditure?

I should like now to refer to the Police Force, and here I must say I am entirely in agreement with any necessary increase in personnel, equipment and terms of service which will promote efficiency. As my hon. friend the Member for Mombasa said yesterday, the ever-increasing incidence of crime has got to be tackled vigorously. I wish I could be quite certain, however, that a mere increase of the Police Force will achieve this highly desirable end. Your Excellency will be aware of the uneasiness which is prevalent throughout the colony over the number of prosecutions which fail of or are quashed on purely technical grounds. A recent ruling on "intent" has caused widespread dismay, and I hope that rumour is not a lying jade when it states that the hon. Attorney General has filed an appeal against this judgment.

I cannot help feeling, having regard to the number of criticisms which emanate about the magistrates' courts, particularly in the urban areas, that the methods of investigation and presentation of their cases by the police need improvement, and that an attitude more in conformity with reality by the Judiciary when giving judgment will be more readily understood by the African and indeed the whole community. (Hear, hear.) I believe to comment on this matter and I will, therefore, not dwell upon it further, but I must once more, with great respect, direct Your Excellency's attention to the unrest which this situation is causing throughout the whole colony.

The hon. member Mr. Thakore referred yesterday to the ineffectiveness of the Transport Licensing Board and while I cannot agree with him that this Board should be abolished, it would appear from matters which have been brought to my notice that it is in need of urgent review. Another matter which apparently requires review is the Ordinance itself. The position at the moment is that the legitimate trade and operation of properly constituted firms is being jeopardized by pirates who are evading the law in every direction. (Hear, hear.)

As I am representing this matter in detail to the authorities concerned, I do not need to justify this Council any further at this juncture, but I should like to inquire from Government why army vehicles have been—and I believe are being—issued to African purchasers prior to those purchasers having obtained the necessary T.L.B. licences? This, I submit, is neither fair to the African nor to other operators, since the African is forced either to operate illegally or forgo the interest on his capital. I trust that Government will look into this matter.

Finally, I would like to refer very briefly to the Education Department. Your Excellency made reference yesterday in, if I may say so, a very witty speech at the Mayor's luncheon, to all parties being concerned with the best interests of the country, and I am very glad to see that this precept is being fostered by the Education Department. In a recent importation to their library which I have here, and in which are described the functions of Colonial

[Mr. Edye]

Legislative Councils, the following choice passage occurs: "and even officials do not always confine themselves to acting as automatic 'yes-men', but often express views that are in the true interests of the community". (Laughter and applause.)

ARCHDEACON BEECHER: Your Excellency, my remarks, which may be somewhat extensive, are divided under four heads. Under the first I should like to make some general remarks and follow these with some remarks on the revenue sections of the "A" part of the budget, and then some rather fuller remarks on the expenditure sections of the "A" budget, and finally say something about D.A.R.A.

I fully realize that the hon. member for Nairobi South had a singularly difficult task from this side of Council in opening the debate on the motion referring the budget to the Standing Finance Committee. I would congratulate him on his speech, and at the same time ask his leave and that of Council to reply to what he said; there is a correction which I feel I must make and with which I feel sure he will agree. He spoke more than once about "the people", and he also made a request for "negotiations with the taxpayers". Now, sir, when the hon. member was speaking I am sure that he was speaking in reference to the European electorate, and that when he was referring to "negotiations with the taxpayers" he was using the term "tax-payers" as synonymous with that European electorate. I am sure that he would wish that correction to be made, and I should like to associate myself with him in saying that the people of this country as a whole, and not only the European electorate, desire that there should be the same negotiation with them in the matter of the payment of taxes as the hon. member desires for the European electorate. (Sir Alfred Vincent: Hear, hear.)

I would like to suggest that I be allowed to take further a matter which I have already dealt with in the Woods report debate, namely, that of the African taxpayers in relation to the budget as a whole. I would suggest that the African at the present time is paying a reasonable amount in taxation. Even

after the Woods report debate, even after my colleague and I made what we considered to be a reasonable attempt to voice arguments in favour of the fact that the African is paying pretty well to the limit of his capacity, various people in public meetings and in the Press have continued to labour the point that the African is not paying what he should. When the hon. Financial Secretary, in introducing this motion, revealed the fact that the Acting Commissioner of Customs had ascertained for him the fact that the African is contributing to the customs revenue a sum that does not fall far short of £800,000, I was fully prepared to accept that as a basic working figure. It may well be that the African is paying more than that, and I am certain that, as goods come into free supply, that African will pay considerably more than that.

If to that £800,000 you add £540,000 which, beyond dispute, is being paid by African taxpayers as poll tax, and also taking into consideration that there is a rising African participation in the payment of excise duty, in the payment of traffic and trading licences, and in the payment of petrol tax, I submit that it is reasonable to conclude that the African population of the country is paying at least one third of the total revenue of this colony at the present time. And, further, by his labour, however much that may be ridiculed by some speakers, by his labour, such as it is, is making possible the payment of very considerable quantities of the revenue of this country, so that the African is, I submit, making a pretty large contribution to our revenue of something over six million pounds. But more, the African is paying local native council fees which are at least commensurate with any rates being paid by other members of the community and, more than that, education in this country is largely, though not exclusively, made possible by self-imposed taxes which the African rightly undertakes in order that he may participate in this much desired amenity.

However much my argument so far may be subject to criticism—and I freely admit that it is impossible for me to substantiate it further—those who criticize my argument can, in like manner, not substantiate their position.

[Archdeacon Beecher]

The difficulty is that we in this country at the present time are wholly unable to assess fiscal equity in the continued absence of vital statistics, particularly those relating to national income, divided and sub-divided into its proper racial divisions. And we are quite unable to assess whether a contribution of, let me say, roughly two million pounds by a community of four million Africans, is as equitable as the payment of the remaining four million pounds by the non-indigenous community. I would submit from such intimate knowledge of the African community and its poverty as I possess, that two million pounds stands in relation to the complete income of the African population in a relationship of reasonable equity. Indeed, I would go further, and say that the limit of African taxation has just about been reached.

If I may pass on to the announcement recently made by the hon. Financial Secretary of an expected surplus at the end of this year of some £500,000, the expectation which I entertained when I heard that remark has been fulfilled. The hon. Member for Mombasa, as I yesterday interpreted—or dare I say, with deference to him, misinterpreted?—that statement in exactly the way I expected. He suggested that in spite of the fact that Government and the Financial Secretary had said that the revenue surplus is largely fortuitous, he used the argument, or at least it seemed so to me, in favour of an alleviation of the burden of taxation. I want to say, with all the force that I can—and I dare say that I shall be subject to strictures both inside and out of this Council for saying this—that in my opinion the non-indigenous communities of this country are by no means overtaxed. In spite of all arguments and statistics produced by the hon. Member for Nairobi South yesterday, I am unconvinced that in relation to the tasks which confront this country, in the name of good government, I suggest that, rather than that taxation should be increased, we may find ourselves having to increase it. I trust, therefore, that Government will resist most forcibly any clamour from any community for any further reduction in the major incidence of taxation measures.

But I should like to qualify that, sir. Do not misunderstand me. I am glad,

very glad indeed, and not for personal reasons, although I shall benefit to a small degree, that Government has suggested relief in income tax for the lower income levels of the European and Asian communities, and, in so far as it may affect them, those Africans who should pay income tax. In passing, I would point out that there is apparently no contemplated parallel reduction by way of relief to the African community. Rather, if I understood him aright, was there a slight suggestion of a threat of possible increased taxation by way of poll tax or the like for the African community suggested by the hon. mover of this motion. Now, sir, I submit that although it is said that the lower-income tax levels of the income tax payers should receive the benefit of £200,000 the country cannot afford to forgo from its gross revenue that sum of £200,000, and I trust, therefore, that Government will consider the re-imposition of that £200,000 as a tax upon the higher income tax levels, because I submit that the country cannot afford to forgo that sum of money.

Secondly, with regard to relief from income tax, I said a few moments ago that I trusted that Government would most forcibly resist any clamour from the non-indigenous community for any further reduction in the major incidence of taxation. I intended to confine my remarks to the major incidence of taxation, and reserve to myself the right, when the Customs Tariff Bill comes up for debate in this Council, to ask for the removal of customs tariffs upon certain items. If I may briefly mention them, they are those concerned with stationery and the like. At the present time it is practically impossible for a majority of African school children to avail themselves of stationery which has been imported free of customs duty; these children are therefore paying in effect a tax of 2d. in the shilling on all school materials used in the lower levels of African education. I shall therefore ask for the complete removal of the customs duty upon school stationery and school equipment. Secondly, the local production of books is being crippled by the imposition of the tax on paper to be used for the production of those books, and I shall ask that some system of drawback be instituted in relation to the

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customs duty paid on printing paper which is subsequently used in the production of books for the spread of African literacy.

Before I turn to remarks on the revenue side of the budget, I should like to say a word or two about inter-territorial organization. It has a very close reference to what I wish to say later on, about expenditure on Government services in general. Your Excellency, in your communication from the chair, you described the present state of affairs as "chaotic and inefficient". It is not my place here, neither is it my purpose, to discuss in detail the proposals and counter proposals which have arisen out of a discussion on Paper No. 191, but I fear very much indeed that, so far from achieving any let-up in the cost of administering these territories, the effect of carrying out the proposals of Paper No. 191 will be to increase the cost of administration, not only in the territories as a whole but more particularly in relation to this country.

At the time we discussed Sessional Paper No. 3 I think the eyes of some of us, certainly mine, were closed to the possibility of very considerable overheads arising as the result of the implementation of those proposals, and in connexion with Paper No. 191 I am absolutely certain that its implementation will result in an increase in the cost of the overheads which at present we can ill afford.

Now I am going to make a remark for which I am purely and personally responsible. I must dissociate myself from any claim to be representing here the point of view of any section of the African community, because I do not desire my remarks should be interpreted in that light. But, in so far as I am called upon to represent interests and not only persons, I feel that I am entitled to express a personal view. I feel that we shall never achieve the successful advancement of this country in particular of East Africa as a whole, either by continuing the present administrative framework or by entering into the type of proposals that is contained in Paper No. 191. My recent experiences and investigations lead me to believe that we have got to treat East Africa as a whole. There is only room in Eastern Africa for

one Governor, for one Chief Secretary, for one Financial Secretary—less him! (laughter)—and so on, and I believe that by entering into negotiations at the present time for such form of closer union as is acceptable to all communities in East Africa with a consequent planning for East Africa on the scale which it deserves, not only shall we be able to cut by approximately two-thirds the administrative costs and overheads and the like, but I believe that then we shall find the real answer to some of the big problems that confront not only this country alone and which the country by itself cannot solve, but problems which confront East Africa as a whole.

In particular, I do not believe we shall achieve by ourselves within the confines of the territory over which you, sir, exercise dominion on behalf of His Majesty, the solution of the agrarian problem. The problem of the land is something which, in my opinion, can only be solved on an inter-territorial basis, taking into consideration Tanganyika as well as the adjacent territory of Uganda. Let me repeat, as I close my remarks of a general nature, that for these last remarks I and I alone am responsible.

Turning to the revenue side of the first part of the budget, revenue Head 1, customs and excise classes which affect food, drink and tobacco. The 1947 estimate is for a sum of £685,000, no mean sum. It is indeed of the order of something more than 10 per cent of the total estimated revenue, and at the present time it is a very useful tax on what is regarded by a very large part of certain sections of the community as essentials. I am not being narrow minded or straight faced over the consumption of large quantities of alcohol and what you, sir, on one occasion described as "poisoning the system by nicotine", but I am concerned with the very dangerously rising standards in which certain communities in this country are indulging at the present time, and I want to say that I consider it will be necessary in these post war years for members of all communities to adjust their standards of living to something more in conformity with the realities of the situation.

That will mean by the adoption of more austere standards in our use of personal luxuries and in the adoption of more austere standards in connexion with

[Archdeacon Beecher] entertainment and the like. We shall only thus be forestalling the possibility of a speedy economic disaster in this country, for I believe most forcibly that if we continue with our present extravagant standards in personal affairs we are heading for economic disaster. I am mentioning this now, not so much from the point of view of what will doubtless be described as a preachment, but to point out that £685,000 is a sum we are not able to rely on for an indefinite period in future from customs revenue on items of food, drink and tobacco.

At the same time I would plead that Government generally, Government officers, should set an example to this country, and I am very glad to know that I believe I am right in saying that you, sir, share these views. I would plead with Government to set an example to the rest of the country by a more austere standard in the use of luxuries, and so avoid the evil consequences that may arise in the future.

This gives me an opportunity to deal with Item 15 of the same heading, namely, excise duty on beer. It happens that I am not a consumer, and it does not affect me one way or the other, but I very much deprecate the remarks of the hon. Financial Secretary, and I very much deprecate the terms in which a bill is being introduced into this Council in order to secure that the increased excise duty is not passed on to the consumer. I maintain that if Government imposes an excise duty on beer produced in this country, then that excise duty in equity should be passed on to the consumer, for if it is paid by the brewer it is set off against their profits and the brewers in consequence pay less income tax. It seems to me that we are robbing Peter to pay Paul, and the net consequence as far as revenue is concerned by the imposition of the extra tax on beer, if not passed on to the consumer, is something you could quite easily write off.

Revenue, Head 4, Item 1 (1), sale of stamps £200,000. This item gives me the opportunity of asking that the inquiry into the post office accounting system should be expedited and that this Council should be made aware of the findings at the earliest possible opportunity. I do feel that the post office and certain other

departments which I shall mention later should be run on business lines, and any indication as to how that inquiry is going on about our own post office will be something that will be most greatly appreciated by us. I should also like to ask that early consideration be given to a reduction in the cost of the letter-post. At the present time 20 cents are charged by the post office for putting a letter out of one box and putting it into another in the case of thousands upon thousands of letters, and it does seem to me that the time has come for consideration of a return to 15 cents letter post. Further, when that is being done, I should also like to suggest consideration be given to a reduction in the cost of internal book post. It is possible to send a book weighing 16 oz. to the far corners of the earth far cheaper than from here to Thika, Limuru or Nakuru or where you will reside this country. I submit that it is a wholly unjustifiable tax in literacy to charge people so much on books which are being sent through the post in this country. The African at the present time is relying in increasing measure on the ability to purchase books through the post. There is a very large mail order department in most, if not all, bookshelves in this country, and I repeat that I regard it as a wholly unjustifiable tax on literacy.

Certain remarks have been made by speakers to this motion about the possibility of other forms of indirect taxation. The hon. Member for Nairobi South suggested an increase by way of excise duty or a consumption tax on sugar and tea, and much to my surprise the hon. Member for the Coast supported him. My surprise is not occasioned by any feelings that there should be no occasion for the hon. Member for the Coast agreeing with the hon. Member for Nairobi South (laughter), but I did think that the hon. Member for the Coast was more far-seeing about the consequences of such a tax in relation to the people who would suffer most as a result of it. And I do feel that such taxes would fall heaviest on the indigenous population. The hon. Member for the Coast cited the fact that Africans were able to buy sugar at 75 cents a lb. First of all he should inquire why it is that Africans have to buy on the black mar-

[Archdeacon Beecher] [Archdeacon Beecher]. Their allowance is half a pound or less, whereas we, for all the long years of rationing, have, with one or two exceptions, been able to secure for ourselves a pound of sugar, not per family, as is the case with the African, but for each member of the family, and the African is forced on to the black market, those who are able to afford it, to buy sugar at the price mentioned by the hon. Member for the Coast. But the number of Africans who can afford to do that and who do, in fact, do it is strictly limited.

I submit that an increase in the price of sugar by, let us say, 1 cent bears no measurable relationship to the income of the European and Indian communities, whereas an increase of 1 cent a pound on sugar is a very much heavier percentage of the African total income. In the same way a tax on tea weighs heavily against the African community and is of equitable size in its incidence in relation to its incidence on the non-Indigenous communities. That there should be an extra tax on petrol is something with which I could more readily agree, because if you can afford to run a motor car, then presumably you can afford to pay for your petrol. An extra cent or two on petrol is something which users of motor cars can well afford, whereas an extra tax on sugar and tea is something which I submit that the whole of the African community most certainly could not.

I am not rising to the fly of the hon. Member for Mombasa on the subject of a betting tax and the introduction of state lotteries, but I presume he could have gone a little further and suggested that the hon. Member for the Coast, and the hon. Financial Secretary should compose their differences and institute a Kenya Irish Sweepstake!

I should like to associate myself with the hon. Indian member, Mr. Thakore, in his suggestion that there should be an undeveloped land tax. I believe that the time has come when we can no longer tolerate the misuse of the land, and failure to develop it is, I submit, misuse of land. The time has come when Government should impose an undeveloped land tax on all alienated land in Kenya which has not been adequately developed. I believe that a good deal of that land was originally alienated with a develop-

ment clause in its title, and I understand that the development clause has, in a very large number of instances, both by grantees of very considerable areas, as well as by grantees of smaller areas, not been fulfilled, and I believe that from time to time representations have been made that that development clause should be removed from the title. I submit that if the owner of a particular piece of land can afford to neglect the development of so great a potential asset as land, then the owner of that land can easily afford to pay Government annually, in terms of revenue under this head, an undeveloped land tax on that undeveloped land. The tax, of course, would have to vary from a few cents to several shillings an acre per year, according to the quality of the land and its potentialities. There would be the need for a small department to carry out that assessment, but I submit that if, as the Development Committee report tells us and as we almost certainly believe, the country's fundamental need is the fullest possible and widest possible development of all available assets, of which the land is one of the greatest, any defaulter who deliberately refuses to take part in that development programme should render himself liable to a penalty and that penalty should be expressed in terms of an undeveloped land tax.

On the subject of the misuse of land I do not propose, either now or at any later stage, to say much about the squatter situation, but I would like to add a word or two here. I believe that the occupants of alienated land who have so abused the privileges which the grant of that land conferred on them as to allow it to be overrun by an uncontrolled mass of squatter population, have in point of fact forfeited their right to that land, and I should like to suggest that the hon. Member for Agriculture should institute inquiries into the possibility here—and now of relieving those people of the responsibility that they were unable to discharge by taking away from them the land on which they have allowed this infiltration of the squatter population. I gather that I have now laid myself open to all sorts of cock-shies, but I am prepared to take it!

Before I leave the question of revenue, there is one small question that in my ignorance I should like to ask. That is

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the question of customs duty and Price Control. That the actual customs duty as such paid by the importer should be passed on to the consumer is only right and proper, but as I understand the operation of Price Control at the present time, not only is that customs duty passed on to each of the many middlemen who stand between the African or Asian or European purchaser of these particular goods, but the importer claims to himself the right to charge a profit on that customs duty. And so the customs duty which is imposed by the State, quite reasonably, becomes a false means of earning profit by importers and middlemen. I would ask, if this system of price control is to continue, as I believe it should for some little time in the post-war years, that this Government should give consideration to the possibility of securing that the profit on customs duty should not be made by importers and middlemen. (Hear, hear.)

I turn now to the expenditure side of the first part of the budget.

I think that if I have been right in demanding that taxation should be maintained at its present level of general incidence, and possibly even increased, then I have every justification for the remarks which I am about to make and to call for a most rigid scrutiny of the expenditure on every item in each section of the expenditure side of the budget. Last year the Standing Finance Committee, in paragraph 7 of its report, asked that very close scrutiny should be made of all Government departments, in order that economies in departmental expenditure should be effected and the overlapping of staff should be avoided. I fully realize, because I, too, have been fairly over-worked with committees in the past year, that Government has not found it easy to implement the request of the Standing Finance Committee as rapidly as many of us would have liked, but I would reiterate that there is every reason why that investigation should proceed as rapidly and, if I may say so, as ruthlessly as possible at the present time.

I am alarmed at the rising cost of pensions to this country. I have thought a good deal about it, and at the present time I am wholly at a loss to make any recommendation to you, but I trust that during the Standing Finance Committee

stage of this 1947 budget it will be possible for unofficial members of the Committee to make some suggestions in this matter. The money which is paid out in pensions is not spent productively in the development of this country, and I maintain that the pension situation which has been allowed to grow up is quite as bad as the export of rupee bills of exchange to India; to which the hon. member Mr. Shamsud Deen used to refer in this Council. It is something which has a very considerable drag on the capacity of this country to develop its natural resources.

I have said already something about the possibility of a very considerable reduction of overheads by some form of personal liaison between the three East African territories. When I made these remarks, I omitted to refer to certain heads in the budget for one illustration of the type of economy I have in mind. Head 4, item 6, proposes continued expenditure on an Economic Adviser to the Government of Kenya. We turn to Head 8, item 2, and we find that it is proposed to continue expenditure slightly less, but of the same order, on an Economic Adviser to the Governors' Conference. Earlier in my speech I said there was room in East Africa for one Governor and one head of each of the several departments of Government and I would suggest, too, that a good deal of pruning in this Governors' Conference set up might easily be possible, for I cannot for the life of me see why we need this plethora of economic advisers!

I believe that the Government machinery needs overhaul, not only in relation to the expenditure on what one might describe as the super-scale and similar posts, but I have got an uneasy feeling that there are far too many people with far too much time on their hands in the junior posts in Government offices. The sort of thing one hears is: "it is alright if I am in by quarter to nine; nobody seems to mind"—"we can usually get out to lufsch at a quarter or ten to one", and "my husband generally fetches me at twenty past four"—and so on. There are far too many young ladies who have lots of time for polishing finger nails and that sort of thing. I submit that must stop.

Having said that, I must also admit that there are other people who have far

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too much work on their shoulders. There are far too many people in the higher ranks of the Government service upon whom too much work devolves, particularly at certain seasons of the year. I refer to certain officers in the Secretariat to whose very considerable industry and painstaking hard work this Council, in particular, and the whole country as a whole, is very considerably indebted. (Applause.) The point is that hard work is the lot of mankind, and we have no right whatever to accuse the African of indolence or call the farmer to continued effort in the production of crops, and so on and so forth, if the Government offices are in fact laden with people who do not do a full day's work. So I would repeat my demand for a thorough overhaul of the Government staff with a view to a reduction in the minimum working level consistent with efficiency.

I should like to pass on to say a word or two about Government African employees—Head 24, item 28, and a variety of other places throughout the expenditure section of the budget.

Office boys: there have been recently a number of complaints in the Press and elsewhere about the number of Africans who spend their lunch-time sitting at the foot of Lord Delamere—some hon. members may suggest that they could do nothing better!—and they spend their lunch-time sitting on the grass verges of the streets and all over the place. I admit that is not a desirable thing, but at the same time where have these people to go? Hotels and restaurants will not take them, and the eating houses in Nairobi at the present time are far too expensive for African employees of Government and African employees of commercial houses in such a place as Nairobi. Whereas Europeans can, if they adopt the austerity measures to which I referred earlier in my speech, get quite a decent and satisfying lunch for Sh. 2, many Africans have to pay considerably more than Sh. 2 if they want to get a decent mid-day meal in the eating houses of Nairobi at the present time. That—to use a word that would be used by my hon. friend the Member for the Coast, is monstrous. I submit that the time has come when there should be in Nairobi and, other places, and indeed

wherever Africans are employed at any distance from their homes in considerable numbers, canteen arrangements similar to those provided in Great Britain during the war, in the form of "British Restaurants". I hope that those members of Government who are responsible for the social welfare of the African will not leave this out of their consideration.

A further item under Head 4, Central Administration, Secretariat and Legislative Council, item 47, allowances to unofficial members of Executive and Legislative Councils. Your Excellency in your communication from the chair made reference to African representation, and also mentioned that either I or my colleague, or both of us, might be dealing with this during the course of the budget debate. I feel that it is not only incumbent on me but my keen desire to take this matter up as strongly as I can at this stage. Your Excellency is probably aware that no communication on that subject, that no change was contemplated in African representation on this Council during the life of the present Council, has caused very considerable and widespread disappointment among the African community, and, if I may say so with all due respect, rightly so. I feel that any change that advancing circumstances may demand should not be dependent on the life of this Council, nor upon any of the possible outcomes, of discussions on the proposals contained in Paper 191. I would submit respectfully to you, sir, that the problem is sufficiently serious in itself to warrant separate attention.

I have already referred to the fact that a good deal of my time, in fact most of it, since I arrived back from England in the middle of this year, has been taken up by Government committees of some form or another, and I submit that it is quite beyond the capacity of two people, irrespective of their race; to represent the African community, particularly at this stage in their development. The multiplicity of committee work in which it is necessary that one or other or both of the members representing African interests should play their part, together with their present inability—certainly my present inability, and doubtless that of my hon. colleague—to attend local native coun-

[Archdeacon Beecher] Council meetings, barazas (official and unofficial) and to attend to an enormous mail bag, makes it quite impossible for the effective representation of African interests on this Council. Coupled with that there is a keen and justifiable desire on the part of the African people to be more closely associated with the work of this Council in greater numbers, and I would respectfully request Your Excellency to give attention to this situation immediately, so that if possible in the new year we may find at least six seats on this side of the Council available to representatives of African interests.

Secondly, a word about allowances. May I say in this particular respect that I am not speaking personally and that it will in no way benefit me if the suggestion I have to make is implemented, but I think it is agreed that the time has come not only when there should be more Africans on this side of the Council, but when those Africans should be paid an allowance which will enable them to do their just and do it well on the basis of that allowance. I suggest that if my request is implemented the sum of £3,500 provided under Head 4, item 47, as allowances to unofficial members of Executive and Legislative Councils is totally inadequate, and I should like to see that system of allowances not only made available to those African members of this Council, but extended to the whole of this side of Council, for, with all due respects to my hon. friends the elected members of the Asian and European communities of this country, I suggest that the time has come when it should be possible for younger men and younger women to take their place on the unofficial side of this Council without it being dependent on their possession of private means. (Hear, hear.)

On Head 5, Administration, I do not propose to say very much. I have already said in connexion with the Woods report—and my hon. friend the Member for Nyanza has quoted me—that in my opinion the Administration have not got the confidence of the people that they should have at the present time. I made a remark about this in my budget speech last year, and I regret to say that I do not feel the position has in any

way materially improved—rather the reverse—during the past year.

Under that same head—Head 5, Administration—I should like to say a word about item 6, Officer-in-Charge, Masai District. I would request you, sir, and your Government to consider the possibility of making the Masai District a province as soon as possible, a province with a provincial team and a reasonable development policy. Reference to that particular area in the Development Committee Report are very scanty, and hon. members of this Council who are aware of the conditions in the Masai country will know that, with the possible exception of the Northern Frontier, it is not only the most backward and neglected area of the country, but from a pastoral point of view it is our largest potential asset. That it should have been neglected for so long is a crying shame, and I request Government so to adjust its administration in relation to the Masai district that it is given the opportunity it deserves for a very considerable advance.

Let me make a few further points. The veterinary position—only one word is adequate—I think it is lamentable. I was down in the Masai country recently and held a large baraza. It was attended by representatives of such intelligentsia as have been brought into being by the spare opportunities for education offered these people, and it was also attended, and I think in the majority by the real old men. They said to me that they considered the present stock position was iniquitous: "You come along and take our stock from us and give us a few shillings for it, whereas if we are selling that for meat we can easily get four or five times the sum. But not only that, you complain of the number of skinny beasts we have got. Whose fault is that? In the old days they used to die. You brought inoculations which keep alive whole herds of skinny beasts which otherwise would pass out, and you do not do anything to improve the standard of our stock." Then they went on to talk about education services and the lack of them, and the fact that in that part of the country which is most in need of it, medical aid aimed at social improvement right down in the homes of the people is practically non-existent. They mentioned too, the

[Archdeacon Beecher] discouragement of enlightened leadership among their people, and said: "How much have you really done for us to give us better controlled ranching and water supplies for our stock?" and one old fellow got up and said: "You know, the Public Works Department put down a bore hole and stuck a windmill on top and said 'There is water forever'. They went away and nobody came to oil it or do anything to it, and it is a tangled mass of rusty iron now." I was not able to go and verify that, but I see no reason for doubting the old man's word. I ask you to see to it that one of our biggest potential assets, the Masai, should continue to suffer in this particular way no longer.

Then, under this head of Administration, items 31 and 96, African administrative assistants, I am very glad that you have been able to institute a training scheme for African administrative assistants during the current year. I believe the hope of the Administration lies in the selection and training and use of African administrative assistants in ever increasing measure. The defects, if defects there be, in the system of indirect rule, to which this Government is wedded, will largely disappear as the Africans themselves become associated with the administration of their own people. I am very sorry that it was necessary to reduce the establishment in Nyanza in the 1947 budget. I am very glad to see an extension of the system of African assistants to the Central Province. But I would ask why the Coast Province has been left out of consideration, for I believe that candidates for appointment as administrative assistants would be forthcoming from the coast. And I would also ask that an assurance should be given that a training scheme for African administrative assistants will be continued in 1947 and provision for it included in the budget so that African administrative assistants drawn from other areas may be so trained and sent back to work in the provinces.

In connexion with the training of Africans for posts of responsibility of this kind, I am sorry to see that there is no provision under Head 5, Administration, Social Welfare, for Africans to visit Great Britain in large numbers during 1947. I believe most firmly that

the value of sending Africans on short visits to Great Britain cannot be over-estimated. Quite rightly, in places other than this, considerable emphasis has been placed on the future potentialities of local government. I believe that the powers of this Council, without in any way detracting from its dignity, will tend to diminish in future, whereas the importance of local government bodies will very considerably increase. And in view of the fact that there have been such considerable advances in local government machinery and methods in Great Britain, I would suggest that these Africans—and, indeed, members of other races—who are to participate in local government in future years should be afforded the opportunity of visiting Great Britain in order that they may see for themselves what conditions are there and what steps are being taken to deal with them.

I, sir, as an Englishman representing an African constituency, would like my African friends to see and to know more of the conditions in Great Britain today. I would like them, for example, to realize that the European here is not characteristic in all respects of the European that country. The European in this country is drawn very largely from one social group, he belongs largely to one income tax level. I should like the African to know that in Great Britain we have problems of poverty and slum clearance schemes, and should like him to see how they are tackled there. I should like my African friends to know that, and I should also like them to be able to see how the folks in Great Britain are pulling together in order to eliminate these undesirable social features, and to substitute for them something of progress and prosperity for the unfortunate as well as those more fortunately placed members of society. I should like him, for example, to see the Peckham experiment, and I wonder, in passing, whether the hon. Chief Secretary during his recent visit to England was able to see anything of that particular experiment, or other things like it, and I should like him to read some of the reports produced in the Penguin series which deal with Great Britain's social problems and see how people are putting their backs into problems of that kind.



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At this stage I do not propose to say very much about education under the expenditure items in the first part of the budget. In former years I have spoken at some considerable length, on this subject, and in view of the fact that I have so much else to say I will say little here except to ask if the hon. Director of Education will use what power he has got, and any more he can accumulate from others in support of it, to secure a responsibility allowance for African headmasters. It seems to me that a headmaster who is carrying the burden of responsibility for a large and growing school almost entirely on his own shoulders should not be deprived of that allowance just because he does not happen to have 150 pupils in his school. In future it is quite clear that we shall have to depend in an ever increasing measure on African headmasters, and if the responsibility allowance is justified to a European or Asian headmaster it is equally justified to an African headmaster.

Doubtless the hon. Director of Public Works has been congratulating himself that he is coming off so lightly in the debate so far. Now, if he has a notebook and pencil, will make a note of anything I say, he will doubtless have the opportunity of replying later in the debate. I would submit that the time has come for the most thorough overhaul of the whole of the Public Works Department and its operations. (Hear, hear.) I am very far from satisfied with it—and this is no reflection on the hon. Director of Public Works now occupying the post of responsibility and leadership in that Department, who has inherited a set of unfortunate circumstances accumulating over a long number of years. I said earlier that I feel that unofficial members would be pressing for the inception of business terms of the post office. If that is true more, true of the Public Works Department. I would suggest that the time has come when the Public Works Department, from top to bottom, should be turned into an organization which conducts its affairs on business lines in respect of every item with which it deals. I think if that were done, then we would have a change not only as I shall hope to

show in the Public Works Department and its activities, but in the activities of building contractors throughout the whole of the colony. I do not know whether the hon. Director of Public Works is a Latinist, but when I look at any building which his department has put up, eternity buildings to last for all time, I am reminded of one of the Odes of Horace—I suppose I had better quote it in English (laughter)—which one of his predecessors must have taken as the motto of the department:—

"I'll raise a monument outlasting bronze,

O'ertrapping pyramids of kings of old,

Which neither wearing rains nor tearing winds

Shall e'er demolish, nor the years untold

Successive rolling, nor the flight of ages."

When I see the craftsmen of the Public Works Department sitting down and redressing stone bought at a price from the quarries and supposed to be already dressed—if not the department should not buy it—sitting down and making that stone as smooth as a baby's cheek (laughter) before they deign to use it; when I see them constructing buildings to the extravagant standard without which they are not prepared to do the job at all, I really begin to despair. If I were going to build—and with these hands of mine I have built several buildings in this country, my major feat was to build myself an arch with a span of 30 feet in a large building, and as far as I know a crack has not appeared in the arch yet—if I were building, I should take the stone as it came from the quarry, reasonably well dressed, say 9 in. by 9 in., and build the building in mud-jest, with a deep cement pointing—so that the rain would not wash the mud-set out, but I should never contemplate building—to Public Works Department standards. As a further example, I have only recently completed the erection of one building, a 5-bedroomed house, costing £350. We on this side of Council, farmers and others, are able to build at a mere fraction of the Public Works Department costs, and I submit that the whole of this Public

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Works Department costing business is, again to use that word, absolutely monstrous. I would like to see them get down to utility standards and have the Public Works Department converted into Utility Buildings, Ltd., very limited as far as cash is concerned, but able to get on with an unlimited programme as far as building is concerned. This system of extravagance which the Public Works Department has adapted to itself is spreading to business firms and contractors, and the consequence of the Public Works Department requiring £2,500 to build a small two- or three-roomed house is that every contractor from Kisumu to the coast will put up a building for nothing less.

We have got to cut out this extravagance. Not only is there extravagance in the Public Works Department procedure, but there is to my certain knowledge evidence of deliberate waste. The hon. Director will doubtless feel offended when I quote examples of it, but I feel in duty to the taxpaying public, that I must.

Some little time ago I was staying at Thika and included in my daily walk a visit to the River Chania, where the Public Works Department was building a weir across the river. The river was diverted from the river bed, foundations were put in, and the weir was built up to a height of some five or six courses; and one evening I noticed that the steel knife edge at the top of the spill way was in position and that the rag-bolts were there, and that it just wanted a little more work on the following morning to complete the structure. I went out the following morning to see the gentlemen proceeding with their work, and instead of finding it finished there was every hammer, chisel and crowbar that could be mustered being used for the demolition of the weir, and the weir was eventually razed to the ground. A couple of days later I visited the scene of the Public Works Department activities and found that the weir was being reconstructed four feet further down stream, the same stone but different cement, and all the labour involved, and ultimately the spillway was completed. I inquired why this had been done and how much it had cost the revenue, and I was informed that when it had got to

a certain stage they found there was a tree in the way and, rather than cut the tree down, they had to move the weir four feet further downstream. If that took place at Thika, what guarantee have we got that this sort of thing is not happening all over the country? The feeling is that because this is Government money nobody minds. This wasteful procedure must be stopped.

I had indeed hoped this wasteful procedure would have stopped, but one of the sub-contractors of the Public Works Department in the form of the district council had obviously learnt the same kind of lesson. I have to travel up and down the Limuru road, and the Nairobi District Council, one of the sub-contractors, as it were, of the Public Works Department, recently decided on the erection of a new bridge over the Karura river. I watched them as I passed digging out the foundation of the new bridge, the sides of the walls began to rise, and they diverted the river to get out the foundation for a central pier in mid-stream and proceeded to work on it. Two or three days after, to my horror and amazement, I saw once again every crowbar, hammer, chisel that could be mustered by the District Council being used to demolish that central pier. I asked again why it was done and how much it had cost the department, and I was told it would cost about £30. I maintain that if that central pier could have been built for £30 a class 3 house could be built for about £750. That wasteful procedure also has to stop.

I also maintain that there is wasteful procedure in the Public Works Department in respect of the use of labour. I have listened to my colleagues talk about labour and labour inefficiency. I have heard them talk about Africans coming to work at 7 or 8 in the morning and finishing their task about 11 and wanting to go home. If the Public Works Department uses its labour in that way—and you see a road gang on the road after midday anywhere?—if the Department's labour gangs in that particular way and it satisfies the Department and the African, how do you expect less wasteful procedure to be adopted elsewhere? (Hear, hear.) I submit that the time has come for the complete overhaul of the methods and



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One or two small points about Head 21, Public Works Extraordinary, and I am not tilting at the hon. Director of Public Works any longer! I am merely going to refer to police buildings and ask Your Excellency to use any influence you may personally have as Governor to secure that the land which the hon. Member for Mombasa and I have suggested to Government for new police lines in Mombasa should be acquired and that the buildings for the police there should be erected on that land as soon as possible. The present police lines at Mzazi Moja in Mombasa are a crying disgrace, and I trust that they will be put on this new land which has been suggested to Your Excellency's Government.

Turning now to Head 25, Police, I would join with my colleagues in asking for early publication of the report of the inquiry into the police terms of service. I trust that we in this Council will have an early opportunity of discussing that report, and that there will be a speedy implementation of the proposals. The housing which police officers elsewhere in the country have to endure is something which is quite a disgrace. There are other police matters in which I am very definitely interested, but as they are already the subject of representations to the hon. Attorney General it would be at this stage improper for me to mention them in this Council.

But I should like to say a word or two about crime. I wholly deplore any increase in the incidence of crime, and I will give my support to any measures that are adopted, including a measure for the treatment of habitual offenders, which I believe will have the support of everyone. Your Excellency mentioned the increase of crime in your communication from the chair, and referred to it as a sin. Then you proceeded to refer to the African treatment of crime in the old tribal days. I am perfectly aware that in the old tribal society many, if not all of

the tribes of the country (thieving was regarded as being on a par with murder. Among the Kikuyu people, I think I am right in saying, habitual thieving was punished in some cases with death. But it must be remembered that the African conception of what constitutes theft was in relation to their social customs wholly different from that which constitutes theft in relation to the social customs prevailing to-day. For example, to my certain knowledge the old tribal custom not only permitted but deliberately encouraged among its hereditary customs a very liberal helping of one's self to such things as cooked food and cuttings for planting, sugar cane and the stems of bananas for ceremonial occasions, and so on.

My point really is that if we are to deal with crime then we have got to deal with it in its social context. Your Excellency admittedly described crime as essentially a social problem, but that social problem, it must be remembered, includes certain aspects of abject poverty among African people which has scarcely been studied, and it also includes our failure to incorporate the African intelligentsia in our social conception of behaviour in enlightened society. Many times when I have talked to my African friends they have said to me: "You have taught us to read and write and arithmetic, Swahili and English. You have taught us geography and so on. But you have not taught us how to behave, you have not taught us what the new society expects of us. Your superficial skills you have taught us, but the true inward things you have skillfully hidden from us". I submit that the attempted treatment of crime which overlooks the social problems which give rise to crime renders of no effect our legislation and police activities.

Head 43A, Local Government Contribution Extraordinary, items 4, 5, 6, interim grants to local native councils, £26,500, £5,000, £29,403. I would take this opportunity of reminding Government of a promise of a definite statement of an inter-relationship between the Central Government and local government finance before the end of the year, and I trust that the statement will be forthcoming from the hon. Member for Health and Local Government or from some other Government spokesman

[Archdeacon Beecher] during the course of the debate. This will bring to an end this very serious situation of local native councils not knowing where they stand financially. An African request in this particular matter voiced widely throughout the country is that there should be a reduction of poll tax payable under Revenue Head 2, item 1, £540,000, to which I have referred, by something in the order of 20 per cent with a corresponding increase in local native council cesses. But, having passed that request on, I do nothing more than repeat my plea that Government would give a definite statement on this subject before the end of the year.

Finally, as far as the first section of the budget is concerned, the medical situation. Here again, I have no detailed comments to make but a general one. Revenue Head 12, item 33, reimbursement to Government from the Hospital Authority, £30,000. The other day I did not intervene in the debate which has been adjourned on the select committee report on the Hospital Services (European) Bill, but the thought that is definitely in my mind is that, in view of the apparent inability of the elected members representing the European constituents to agree among themselves, as was evidenced in that debate, and the widely conflicting views which to my certain knowledge are held by the electorate itself throughout the country, and in view of the condemnation of such piecemeal measures by Sir Wilfrid Woods in his report, I think that Government might be very well advised to scrap the whole business and have one comprehensive hospital scheme for the whole of the country.

I now turn to a very important subject, namely the Development Committee Report and the D.A.R.A. budget.

Most of my hon. colleagues who have spoken in warm commendation of what I fear I have come to call the "Yellow Peril". I am most unhappy about the Development Committee Report. I do not wish to be carpishly critical. I know it is much easier to be destructively critical than it is to be constructive, and I know with what energy my hon. friend the Chief Secretary has devoted himself to the superhuman task which has been committed to him. I am not blaming him, but, in short, what has happened

is that having cut his garment according to the cloth available he finds the garment is so mean and miserable a thing that it will not fit anybody, and that really is the point I take up in criticising the report.

More than that, I feel that there is latent in that report what has been widely described as a menace to freedom, to the social freedom of the individual citizen in the so-called welfare state. I find that the Development Committee Report is shot through and through with an impersonal characteristic of a large-scale mechanistic organization. I feel that there is a consequent danger of the enslavement of the individual in servile dependence (I am using strong words because I feel strongly on this) to the omnipotent, even if avowedly benevolent, state. I believe that we have to get back to a much more human approach of the type which you, sir, have adopted in your excellent dispatch No. 44, on which comment has already been made. All over Africa this same plea is being voiced for a more human approach to development and reconstruction.

I know that I have been speaking for a very long time, but I would ask your indulgence, sir, and that be your Council to quote in support of the point of view that I am trying to express. There appeared in an excellent quarterly *Africa*, volume 16, No. 2, April, 1946, the following: "Our minds are preoccupied with plans for a new Africa: are we not in danger of forgetting the Africans? The human material seems to be taken insufficiently into account... They seem almost rather a nuisance, for they are so unlikely to be as enthralled with our plans as we ourselves are. It is almost forgotten that if there were no people, there would be no need for plans or any development, there would be no accelerated erosion to be prevented, no shifting cultivation to be converted to stabilized farming, no insanitary villages to be remade. In the end it is the individual African who matters; it is he who has to be considered above all else. How much does planning mean to him? How much will it mean to him in the future? Will he be a happier, better man, a finer personality in the widest sense, as a result of the expenditure of millions of money and the efforts put forth by bat-

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 lions of expert and devoted men and women? These are pertinent questions. Our present-day outlook is too predominantly materialistic. An improved economic system there must be; but it is still true that man does not live by bread alone. Will the whole Finance Ministers and Upholsterers and Confectioners of modern Europe undertake in Joint-stock Company to make one Shoe-black happy?" asked Thomas Carlyle. "They cannot accomplish it, above an hour or two; for the Shoe-black also has a soul quite other than his stomach. Pigs... so far as we know, are perfectly happy if well fed and housed, likewise cows. . . . Is the end of our planning to be the production of large numbers of docile cows or pigs or flourishing cabbages, or communities of happy men and women living full and adventuresome lives? . . . The curing of disease, the improvement of water supply, the stabilization of agriculture, and the education of the masses, are not ends in themselves but steps towards bringing people to a stage where they are capable of working out their own destiny. The framework of development plans is a mere skeleton developing body and soul, and if we think it is the whole we shall surely fail."

I admit that the material situation in this country looms largest in our view, but fundamentally, I maintain, the Development and Reconstruction Authority will not be dealing with the material situation at all. They will be dealing with something which belongs to the heart of man; they will be dealing with man's behaviour in society; and our task fundamentally is the creation of a new ethos—not a material task at all—and it is just those things which, if my reading of the Development Committee Report is correct, are most lacking in that report. It appears emasculated, dehumanized, and if you want confirmation of that compare the education report of your development sub-committee on education with what is finally accepted by the Development Committee; compare the report of the social welfare sub-committee with what is finally accepted by the Development Committee, and see, how dehumanized both these are.

I submit that until D.A.R.A. takes a much more human approach to the

whole of their problem; the millions which are being spent, inadequate though they are in some of our views, will be millions wasted. In that report we read the recurring phrase "the utilization of African manpower", as if they were so many checkers on a board. I hate the phrase and I know my African friends hate it even more—"utilization of African manpower". It smacks of pure slavery, or, at best, it suggests "we will feed the brutes and give them a smattering of education"—smattering is the only word that could be used of the emasculated suggestions for African education which the report contains and which the hon. Deputy Chief Secretary referred to in reply to my hon. colleague this morning—"we will give them clinics and hospitals, and we will give them a few social welfare centres"—largely conceived in terms of beer-shops and dance halls—"and then if they don't work we will see what happens!" The report talks unblushingly about the policy of Government to employ more Africans because it means reducing costs. Admittedly it does; but that is not the reason for employing more Africans. It speaks of surplus populations as if they were noxious weeds, instead of the mal-application—albeit the unconscious mal-application—of semi-social service to African life in the past.

I submit that we have got to change fundamentally our approach to the whole of the development and reconstruction of African life in this country. Equality of opportunity, that is our purpose. If you will allow me a further quotation.

I should like to quote from an address I was privileged to give to the Royal African Society in March this year: "The goal that is set before us is a common civilization with each individual, and each community, striving not for personal gain or advancement, nor for that of his particular community, but for the highest good of East Africa . . . as a whole . . . We shall never achieve our 'common civilization' if there remain in us any prejudices which are based on differences of colour, race, or language."

. . . I have . . . to plead that the planning which we do and which is done for us in East Africa should be on a sufficiently large canvas and be sufficiently attractive to encourage us, whatever our race, and whatever our particular lot or call-

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 to, throw in our best for the attainment of the common good."

Now if what I said had about it any semblance of truth, there is implied in that something of which my hon. colleagues may be a little afraid, namely, recognition of human equality. I do not wish to use, that word in any mistaken sense, and I should like to define it as clearly as I can. I speak as a Christian, and I desire to define "human equality" in such terms as my faith has taught me to accept, in terms adopted by one of the greatest Christian political philosophers, among other things, of our day, the late Dr. William Temple. "Equality," he said, "that is precious is not equality of powers or gifts, which does not exist, nor an equality of influence or authority; it is an equality of inherent worth and of the right of every individual to be himself . . . It is perfectly compatible with equality rightly understood that some should command and some should obey, and all that we need to purge such a view of all that may make it emitting is to recognize that to obey is quite as noble as to command. The one true form of equality politically is equality of opportunity." I maintain, in the name of the African population of this country, that all we ask for when we ask for equality is just that—equality of opportunity—and this Development Committee Report stands self-condemned in that equality of opportunity is nowhere in that report applied to the African people.

It can easily be illustrated by the educational proposals—negardly in the extreme, retrogressive in a large number of cases, and wholly incompatible if I may say so with respect of application. The idea that in places where primary education exists it should be forced back into the mould that it is contemplated by the Development Committee Report is absolutely unthinkable.

I know that my hon. colleague will be referring to this in greater detail, so I will say no more about it now, but for reasons of which I have been speaking at some length this report is quite unacceptable to the African people. The social welfare that it proposes is inadequate, and I maintain that the social welfare services in any case, and some of

the information services, mass education and the like, should be transferred to the Education Department and that Department should be given the task of putting into effect a reasonable educational programme for this country. I cannot agree with the hon. Member for the Coast more than when he said that education was one of the fundamentals upon which the development and reconstruction of African society is to depend. About information services I shall say a little more later on.

I should like to say something about Head 14 of the D.A.R.A. Estimates, buildings, item 90, agricultural school and teacher training centres, Maseno and Embu. I very much welcome the assurances which were given this morning, or at least I gather they were given this morning, to the effect that the construction of these buildings is going to be expedited. But I maintain that the fact that they are not already in existence and working is a most severe indictment of Government. Promises were given years and years ago to the people of Embu in their local native council that the buildings for the whole framework of the educational system which were contained in that development project would be speedily erected. For once the people believed Government and gave a large area of land on which the school could be built. The primary school, which was part of the scheme is not in existence. The people have been persuaded to start voluntarily a couple of standard IV classes elsewhere than on that particular site, as a temporary measure. Nothing in this country is so permanent as a temporary measure. These people were promised in 1947 that they would get their primary school. They have asked: "Where is our primary school?" "Not in there." "What shall we have it?" "Not in 1947." "How may we have a standard V so that these people may have education in 1947?" "No, sorry, we cannot do it." "Then," they said, "let us put up temporary buildings on that site for standard V in 1947." Answer from Government, "No, you may not." I maintain that the patience of these people is not only running out, it has run out and anything you do, sir, personally, can do in order to secure that this project be carried out speedily with no further delay and carried out to the fullest possible extent, will be

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which enable him to keep that wife and family. And, sir, I would suggest to you that you consider giving instructions that there should be a joint meeting of the Labour-Advisory Board and of the African Land Settlement and Utilization Board in the very near future in order that this question of social security in terms other than land can effectively be looked into.

I understand that the principal of the teacher training section at Kagumo has refused to move his teacher training section to Embu, and has made representations which he regards as cogent why that teacher training school should remain elsewhere. I also understand that the principal of the girls section of this project has followed suit and also declined to take the girls section to Embu. This seems to me to be truculence that Government should in no way tolerate. This scheme has been promised to the people and I ask you, sir, to secure that it is put into effect. If, indeed, education is what is going to alter the face of African society (certainly it is going to contribute very materially to the alteration) then we must get on with our education projects without delay. To my certain knowledge there are potential teachers offering themselves for training by the end of this year, but there are no teacher training institutions at present in existence. In one area with which I am particularly familiar there are 28 acceptable candidates with all the necessary qualifications, both academic and from the personality point of view, for training in 1947 and four, and only, can be accepted. If this state of affairs continues how long will it be before we are able really to alter the face of African society?

I submit that our best investment at the present time on this non-material side is a vast increase, cost what it may, of facilities for African education. I believe in each of the provinces there should be one, if not two, secondary schools with what I might describe as a forced feed system: if it is true that the development of the African people must largely take place under African leadership—and I believe that this is so—then we must have well qualified, trained, African leaders, and it is no use taking a man unless he has an adequate background, training and using him for a particular job, because he will surely fail. I submit that, unless in 1947 secondary schools are instituted in the provinces, and the boys and girls are given facilities for spending one or even two more years in such schools than is normally allowed for in secondary education, unless we

start on such a scheme at once, we are never going to catch up with the task before us.

There is another great educational need which affects not only the African people, but the European and Asian communities, and that is for a technical college, which I trust will be instituted in spite of the War Memorial Committee's refusal to support the proposal. That in itself is a bitter disappointment to the African community. In spite of that refusal to incorporate it in a war memorial scheme—there may have been very cogent reasons for that refusal—unless a technical college is instituted immediately (and I trust that it will be an inter-racial college) I am sure we are going to suffer.

I now pass on to consideration of the labour problem.

The solution of the labour problem to my mind is absolutely essential if we are going to begin to tackle the agrarian problem. I want to plead again, as I have pleaded so many times in this Council, that we really get down as rapidly as possible to demonstration of the fact that it is possible to provide for African social security—complete social security for Africans other than on the land. At the present moment the African does not believe that. At present I doubt whether there are many Europeans who believe it, but I do know that those Africans with whom I have discussed this matter are perfectly prepared to believe it, if it can be demonstrated to them, and to participate in a form of life which provides them with complete social security in terms other than land. I have already very much welcomed two measures which go a little way along the road towards the achievement of that goal, namely the Minimum Wages Bill and the Workmen's Compensation Bill, but these in themselves are not enough. We have got many other things to do: for example, to get a wholly different attitude towards housing. To say, for example, that because a man draws Sh. 40 a month he can only have a room 10 ft. by 10 ft., or if he draws Sh. 50 a month we will consider giving him a slightly better house, that is wholly the wrong attitude to the housing of Africans in employment. If a man, whatever his wage, has a wife and family, that man must be given conditions of employment

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which enable him to keep that wife and family. And, sir, I would suggest to you that you consider giving instructions that there should be a joint meeting of the Labour-Advisory Board and of the African Land Settlement and Utilization Board in the very near future in order that this question of social security in terms other than land can effectively be looked into.

I fear that I am spending far too long a time on my speech and I will cut short some of the remarks I have still to make.

I turn to the agrarian problem itself. You, sir, in your communication from the chair, referred to the problem and its solution as one of the colony's main obligations. I have already said how much I personally appreciate the approach which you yourself made in Dispatch No. 44, but I would add my plea to that already voiced by the hon. Member for Nyanza for early action on the lines with which you, sir, dealt. Your Excellency referred to a study of African land usage and the extended programme of land utilization, and the fact that during the past year people had been very actively engaged in an investigation of the solution of this particular problem. And in the memorandum on the Draft Estimates, page 24, it says: "the proposals for the organization of African settlement are reaching a final form." When I read that I was profoundly disturbed, because my own reading of the situation is that a very different state of affairs exists at the present time. For the past year or 18 months, to use the phrase of one of the official members of the African Land Settlement and Utilization Board, that Board and its executive officers have been "mucking about with deserts", and the net results of the activities of the Board as far as 1945 and 1946 are concerned are nil. Perhaps that is not quite true, except that we are able to say that whole areas of land are of absolutely no use, but, as far as anything positive is concerned, of getting Africans settled on land and really beginning to tackle the vast agrarian problem in the Kamba reserve and elsewhere, the situation is alarming beyond description.

Revolutionary changes have got to be made in the terms of reference and the whole approach of the African Land

Utilization Board if anything is to be accomplished in 1947. Pious hopes have been expressed that in some of the land behind the coast strip from Mombasa to Lamu it may be possible to have African settlement. My information on that subject is that the land is already so overrun by squatters from the Nyika tribes, although it is alienated or crown land, that it would be impossible to get any further settlement of a major order on that land, and the only thing that can be done is to provide proper settlement conditions and some measure of control over the squatters already there. Again, it is suggested that the Ithanga Hills might be a possible reception area in order that something could be done by way of a commencement on the Kamba situation. Again, my information is that there is such an infiltration of squatters into that area that the most that could be done would be to receive a few more and turn the whole thing into a settlement and put some form of control over the people already there. The situation is something which causes restiveness among the African people that cannot easily be described, and I doubt very much whether the enormous sums of money spent in the past on the African Land Settlement and Utilization Board have justified these small, almost negligible, results about which I have been speaking.

I want to ask the hon. Member for Agriculture what steps he is taking in order to bring to an end a process—not a geological one—which is ruining this country. I am speaking of maize mining. I submit that until an entirely new approach is made to crop production as it affects planters of all races, and to a very large degree the production of maize is eliminated from our economy, until that is done we are in danger of undermining the whole of the agrarian situation in this country at the present time. On the one hand we have pious hopes that the agrarian problem will be solved, on the other hand an hon. member gets up and talks about guaranteed prices for commodities which include maize, and therefore includes encouragement to the continuity of the mining of this country by the production of it.

I turn to Information. I feel that the D.A.R.A. report really fails to get to grips with this business of information.

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I really do not think that information is being got across to the African people at the present time. Your Excellency spoke yesterday, like the delightful address you gave to us at the Mayor's luncheon, of not more than 15 per cent of the electorate that had been in touch with its elected members during recent meetings held in the country. If that was a fair comment, it is a thing for greater comment that the percentage of people really in touch with realities through the activities of the Information Office, is negligible and I feel that we have got to alter the whole of our approach to the question of the dissemination of information. Let us cut out this business of beer shops and dance halls as a conception of social welfare, and let us tackle the thing from another point of view—I have said already, and I believe other members on this side will agree, that there is comparatively little confidence in Government planning at the present time.

Let us tear the Administration away from their desks and all the other things which hold them back from giving the good administration that we used to know in the earlier years, and let the Administration really become the fathers of the people and their informants on Government policy and other things. I submit that the time has come when something of the order of ten per cent of the money that has to be spent on any development project affecting the African people should be used in preliminary information, because if you get the confidence of the African people through the Administration used in that way, the remaining 90 per cent of the money on that particular project will be spent to some purpose. If your expenditure on information is of the small order contemplated in the committee's report and in the budget which we have before us, I believe that 99.9 per cent of the money spent on the project will fail, and I submit that for your consideration, sir.

The Administration is not the father of the people in the old sense of the word that I believe it should be. There are, of course, one or two exceptions to that sweeping generalization, and I would single out the very effective way in which the district commissioner of Fort Hall, Mr. O'Hagan, in co-operation with the agricultural officer, Mr. Hughes Rice, is

getting to grips with soil erosion, but doubtless he will get several raps over the knuckles for neglecting to reply to Secretariat circulars!

What is our task? I believe it is fundamentally a sociological one. We have got to get into the shortest possible space of time, ten years at the briefest and half a century at the outside, if possible, all that social change in this country which the Master of Trinity depicts with such clarity in his survey of six centuries in Britain, from Chaucer to Queen Victoria. I trust that the hon. Chief Secretary has read that book—I found it one of the most readable books of recent times.

In order to carry out a task so large, I believe that very much more money is needed than the 15 million pounds at present available to D.A.R.A. It is unquestionable that for all I have said about increased taxation to provide the additional revenue which D.A.R.A. has at its disposal, some other means have to be sought. Yesterday the hon. Member for Nairobi South, in his admirable speech, made reference to the fact that Government grants in earlier years would have saved this country from the deterioration which now sets us so large a problem. I trust I have quoted him correctly. But I would ask at whose bequest did the East African Protectorate achieve colonial status and thereby cease to be able to draw grants-in-aid in the ordinary sense of the term from the Colonial Office? I have here as objective a study of the political history of this country as can be found anywhere, a study by an American woman, Marjorie Dilley, in which she says: "Settlers began an agitation for an elective franchise to provide members for the Legislative Council in 1908. This led to the formation, in 1910, of a federation of colonial associations acting through a convention; by 1919 the principle was adopted and the Kenya Legislative Council, under *Instructions* from the Secretary of State, passed an ordinance providing for it. Doubts concerning the application of elective representation in a protectorate, coupled with difficulties in raising loans, led to further agitation for annexation. This was accomplished by the Kenya (Annexation) Order in Council, 1920."

That is as clear an objective and accurate picture of the situation as you can get in a few words. The writer there

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inserts a footnote: "Lord Lugard considered that the change to colony status was premature and a fundamental error in policy (Lord Lugard, *Dual Mandate*, 1929, p. 321). Others felt some uneasiness about the change, and in reply to questions in the House of Commons, Mr. Amery, the Under-secretary of State for the Colonies, replied that it would have regular Crown Colony status, and that no change in its constitution was proposed at the time. He felt that the residents, that is the Europeans, had for a long time wished a closer tie with the Empire, and apart from the satisfaction of this natural desire, the annexation would have the practical effect of making the floating of loans possible."

Now, sir, I do not believe that we are entitled to ask for further grants from the British taxpayer, placed as he is at the present time, through the Colonial Development and Welfare Fund. I believe that his generosity has reached a limit which would impose on it, even if he is not prepared to do so. But I do believe, as I have already indicated, that other money must be found so that the whole of this development and reconstruction project can be multiplied by ten at least and that, sir, will only be obtainable if we adopt the principle of deficit finance, but deficit finance in the form of loans. I believe that "we might get a certain amount of money from outside this colony invested in a development loan, but even so, as I have already said elsewhere, I do not believe we shall get investments in such a loan from outside if such is a desirable policy) unless we demonstrate to investors that we have really put our shoulders to the wheel and paid in terms of direct and indirect taxation something that has a semblance of fiscal equity. But, more than that, I believe that there is within this country a large number of potential investors who, again with confidence, are prepared to put large sums of money into the development of this land. I am not a high financier and did not understand the high finance of the hon. Member for Mombasa yesterday, but I believe I got the gist of what he was saying. We have within this country a certain amount of wealth and potential investors, and I believe we could get that money canalized into this vast development loan

which would enable the hon. Chief Secretary really to tackle the job which he has to do with more confidence; it would really accomplish something and, in order to do that, I repeat that it will require finance of the order of ten times the fifteen millions that he at present has at his disposal.

I have covered a very wide field and taken up, perhaps, an unwarranted measure of time. I beg to support the motion.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Thursday, 21st November, 1946.

Thursday, 21st November, 1946  
 Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 21st November, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

#### MINUTES

The minutes of the meeting of 20th November, 1946, were confirmed.

#### PAPERS LAID

The following papers were laid on the table by Sir Gilbert Rennie: Summary of the report of the Development Committee.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

The debate was resumed.

**SIR R. E. ROBINS:** Your Excellency, I do not reckon to intervene in this annual dog fight (laughter)—I have quite enough to do when my turn comes, and with no one to aid me! I cannot rely on the galaxy of talent on this side of Council, and I am leaving the punishment of my hon. friend the hon. Member for the Coast for another occasion. I am also leaving the hon. Financial Secretary to deal, effectively, with the theory of money and price index put forward by the hon. Member for Mombasa.

But I want to turn for a few moments to very much graver matters, very much graver matters. I have been a member of one or other of the Legislative Councils of East Africa for 11 years; for nearly 22 years I have been associated with the Governments of East Africa, and when I say associated with the Governments of East Africa I do not mean entirely in regard to the technical management or operation of railways. I have during the last 22 years taken a tremendous interest in the general administration of these East African territories, and have always regarded it as my duty to offer to assist the Governments on every possible and conceivable occasion, and particularly so as I have taken a very wide and deep interest in the progress of the African peoples in East Africa. (Hear, hear.)

But, sir, I have never felt so disheartened as I did yesterday when I listened to the latter part of the speech

made by my hon. friend the Member for African Interests (Archdeacon Beecher). In the course of the 22 years in which I have been associated with the Government, I have signed a good many reports; but never have I signed a report with a feeling that a great step forward had been made, a step forward in social development, as I did when I signed the Development Committee report. (Hear, hear.) Why, then, do I feel so depressed? The reason why I feel so depressed is this. Throughout that report we have been conscious of the fact that unless we get the willing co-operation of the Africans in this country, we might just as well not have attempted that task at all. (Hear, hear.)

It seems to me that the hon. member had done a very great harm in this country by his speech yesterday and, what makes it so tragic to my mind is this, that he and I—and I think every member in this Council—have the same objective in view. We may not tread the same path, but there is no doubt in my mind that everyone of us is anxious to raise the status of the African, not only materially but spiritually, and to enable him to enjoy the benefits of life. The hon. member is a man who is respected and revered by the African peoples—who is respected and revered by us as well, we have a great admiration for his courage and his steadfastness in his purposes, and I feel, therefore, that by his speech yesterday the Africans will say “Well, here is the man who is not only trained in theology but we believe also trained in the sciences, and this is his opinion of the Development Committee report. Why, then, should we take any interest if an impartial man like that holds these opinions regarding this report? What can you expect? The report can be of no earthly use at all. Why should we bother to co-operate or listen to the suggestions which are made in that report?”

If that is so, then it means that we can make no progress at all, because I am absolutely convinced that there is a tremendous latent force in the African people that can only be brought out not by force but by willing co-operation; and that, I feel, is what we have been preaching for years and years, that all the races in this country should co-operate

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 together. If, in fact, the African is not going to co-operate then economic disaster is what we face. Let me repeat it, economic disaster is what we face, not something slightly unpleasant but really unpleasant, and affecting every one of us, whether farmers, industrialists, or us. Furthermore, I feel that the nine months' work which I and others of the committee put into this report has been absolutely wasted, and I should like to point out, too, that nine months' work as far as I am concerned—and it applies to the other members of the committee—was in fact practically nine months of my available spare time with so other recompense than the feeling that I had done something for the good of this country.

What was our aim in the Development Committee report? It was to raise the standard of living of all the peoples in this territory in the shortest space of time. What better, what better, objective could there be? My hon. friend suggests that it lacks the human touch, but surely to raise the standard of living of all the people in this country is attacking the very root of the human problem. Lord Beveridge, in his very famous report, said there were five giants which required to be attacked; the giant of want, the giant of disease, the giant of ignorance, the giant of squalor, and the giant of idleness. I suggest that every one of those giants is attacked in this report. And you notice that Lord Beveridge places first of all the giant of want, and unless we do something on the lines indicated in this report as I said just now, economic disaster will follow and, not only that, it will bring in its train want.

Therefore, this report is directed first and foremost to that giant of want. How can we attack that giant of want? Only on the materialistic side. I know no other method to attack the giant of want except on that side. That is to say, we have got to all work hard in order to raise the national income of this country, so that we can give a better distribution, particularly to those generally known as the lower income groups. That is, of course, purely a materialistic approach, because there is no other approach but the materialistic approach. The hon. member said that the garment is too small. Everybody realizes that this gar-

ment is too small, and what is our suggestion here? An attempt to make the garment larger. The garment in this particular case is small, and the whole object of the report is to increase the size of the garment. But we can only increase the size of the garment not by Government direction, for that will get us nowhere—we have got to get the consent of the governed, the consent of the people, the willing co-operation of them all to enlarge the garment.

Again, he suggested that this report savoured of slavery and that we said “If you do not do this or do not do that then something dreadful will happen to you”. There is no suggestion of slavery in this report. Had there been any suggestion of slavery in this report I certainly should not have signed it—

**ARCHDEACON BEECHER:** On a point of order, if I remember my speech aright I did not say the report savoured of slavery, but used the phraseology that it smacked of slavery.

**SIR R. E. ROBINS:** I accept the explanation, sir, but there again, what makes me feel so depressed is that even if the words used were to the effect that it smacked of slavery, among an illiterate and backward people I feel that those words will probably be taken out of their context to mean that there is some element of slavery. (Hear, hear.) That is why I feel we have got to be so careful to try and obtain this willing co-operation and get away from any suggestions of compulsion or force. The only suggestion that is made in this report is a general invitation to hard work. I cannot see that there is anything wrong with that. In fact, that famous book from which so many of us take solace says—and I shall say it in English because I cannot quote the original Greek, because I do not know it and do not think that other members know it any better than I do: “He that worketh not neither shall he eat”. I think that it is the right and proper way to ask every citizen of this country to make his contribution to our objective by means of hard work. (Hear, hear.)

I have never suggested, nor has the Development Committee ever suggested in any portion of this report, that a man should be compelled to work or that he should be compelled to work for

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others. Again, I would never have signed this report if it had said that. But what it did say in the report was, "Unless you are willing to help us and unless you are willing to work hard, there is no hope for you, no hope whatever".

The hon. member said that the African will say: "What does this report matter to me?" My answer to that is that it matters to him a tremendous lot. There is no doubt that there is a widespread demand in this country for education, hospital services, social services, better wages, and the like. But unless we can do something to raise the national income these gifts do not fall from heaven. We have got to work for them. And that is our invitation to the people of this country, and that is where we say to the African that, if he will help us in carrying into effect this plan, then it will be possible to meet these very legitimate and proper aspirations. In fact, I would go further, and say that as far as we possibly can in this imperfect and materialistic world, "We have tried to do something in regard to social services, medical services, education, and so on—we have not done as much as we would like to do, but we have done something. If you will help us we will be in a position to do something more, and a good deal more". And you can rely on it that, so long as I am in this country, and I am sure I am speaking for my colleagues who stand the committee's report, if we can by our joint efforts and those of all races in this country raise the national income, I shall regard it as an absolute duty laid upon us to see that the distribution of that income is fair and equitable in regard to those who by their co-operation, have assisted us in achieving these plans, and to see that the African gets a fair share of that increase in the national income. (Hear, hear.)

It is said also in that famous book that "man cannot live by bread alone". That is true, you cannot live by bread alone, but without bread you will starve, and that is what we are facing at the present moment.

The hon. member dealt with the dissemination of information, and I think, if I remember rightly, he rather criticized the Development Committee report on that aspect, and he also suggested a

great deal more should be done by district commissioners. I agree with him. I agree that not only have we got to convert the Africans and other peoples of this country, but to convert all district commissioners, all officers of the Administration, into a way of co-operation in the progress of this country. But I do not think that that in itself is enough. We have got to do quite a bit in regard to what is generally known as mass literacy, and that we have tried to do within the size of the garment we have to make provision for, mass literacy in order that these people, these African people, can understand what we are driving at, and that it is in their interests and the interests of all the other races to co-operate with us in putting through this plan.

The hon. member referred to and asked other members to compare the report submitted by the sub-committee on education with the general conclusions which were reached by the main committee in the report. I, too, would ask hon. members to compare the two, but I would also ask them to read the opening paragraphs of the education section written by the main committee. I will remember one Sunday morning when my hon. friend the Chief Secretary and myself were dealing with this when we might possibly have been better occupied in listening to the hon. member Archdeacon Beecher and some of his difficulties! But the fact was that we thought that this, indeed, was God's work in endeavouring to deal with this educational problem. And the struggles and the trials we had. No less than four schemes were examined, and how we went through them with a toothbrush, and we considered how we could cut this or that or the other in order to make better provision for education.

I want no convincing on the question of education for the African. I believe in education for all races, not only in order that they may contribute to the development of the country but in order that they may lead a better and fuller life. But we were up against this intractable problem. The fact was that if we spent more money on education we had got to cut something else out, and what should we cut out? On the table this morning there is a diagram showing from the funds available, how the money

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will be spent, and if hon. members would look at that diagram and think to themselves "What should we cut out in order that we can increase this education vote, should we cut out agriculture and veterinary? Of course not". What has happened is that for the last 20 years the land has absolutely deteriorated. I am absolutely convinced that with the money we have got there is nothing like enough to save the land, nothing like enough. Would you in face of that suggest cutting that down and enlarging the amount for education? I am sure that my hon. friend would not even attempt that. So I ask you to go around this clock, this diagram, and see what it is you would have cut out. Two small items, national parks, tourist traffic, industrial—if you cut them out what contribution does it make to education? and does it not bring other evils in its train? Of course it does.

That is the problem with which we were faced. Therefore one feels so frightfully depressed when we hear that there is a possibility of Africans taking what I might call an anti-view of the Development Committee report because there is not enough in it for education. Therefore the only way in which we can do more in regard to education and social services is to increase the national income—and incidentally what I regard as a major social service in this country is to raise the standard of living. That is the major social service in this country. Never mind about all the other things, they will come in due course and, with the others, achieve the greatest social revolution in this country of the last 50 years.

Therefore the only way in which to spend more money in this connexion would be to get a larger clock than this one. But where is that money to come from? It is quite obvious, and the hon. member will realize himself, that it cannot come from the United Kingdom. With Sh. 9 in the pound income tax in the United Kingdom it is completely and absolutely imprudent to ask them to bear further sacrifices on our behalf, and particularly so when I am convinced that there is this latent capacity in the people of this country to help themselves. We cannot get it from England. Apart from that, the hon. member in

the course of his speech said that we had slums, slum clearances, and other social problems in England, and we have, and it is about time we dealt with them. If that is so, it is quite obvious that there is nothing more that we can expect to get from England, and I would never be a party to asking the United Kingdom to bear any further sacrifices on our behalf. Indeed, we owe our peace and security at the present moment to the unexampled heroism of the people of the United Kingdom. It is right now to plead for more for this country? I am convinced that it is quite wrong.

We cannot get from England what the hon. member suggested we want, which is ten times as much. I entirely agree with him that we do want a lot more, but where are we to get it from? He said that inside and outside this country—I am not sure he meant outside—but inside this country. But I am absolutely positive that there are not 150 million pounds of idle money in this country (laughter). I am absolutely convinced that there is nothing like it. As a very rough guess and calculation I should think that the national income of this country is somewhere round about 15 millions per annum; in other words, we mortgage ten years of complete national income. This is completely impossible. Unfortunately we live in a world where money does count. It may be possible for money to come to design a society where money does not play such an important part, but at the present moment the hon. member is talking, if I may say so, highfalutin nonsense. To think that money does not count is to live in the realms of fancy and not reality. The fact is that if we do all these things and provide all these social amenities, those who actually do the work and building will want a signed cheque—they do not want promises—and those signed cheques mean that we have got to find the money from somewhere.

The hon. Chief Secretary and myself also on that Sunday morning, when studying this education sub-committee's report, thought of every possible means we could, and said "Could we raise more loans? would it be possible?" Then we had to remember that loans are not free gifts. The loans we have to pay interest and sinking fund, and it is not so many years ago in this Council

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that there was very grave criticism of the loan policy which was followed in the years about 1924 to 1927. It was argued then that we had over-capitalized this country, that we had taken up far too much money in loans; that the officials were reckless in their policy about raising loans, apart from which it is not so easy now to raise loans, even supposing you can make the loan conditions attractive, in this country. There is a limit to the amount you can raise, and so far as the United Kingdom is concerned you must remember that there is a limit imposed by the present Government body known as the Capital Issues Committee, and it is not easy to convince them that there is justification for raising loans for Kenya. I know to my own cost. I had long negotiations last year in a great endeavour to get rid of a heavy burden of a 6 per cent loan, and talked with all the eloquence I am capable of to convince those people at home that there was a case for the necessity for the redemption of the loan. So that it is not so easy to raise loans, and I am not too sure that extensive loan raising is altogether the right policy.

I believe that the right policy is to attract this latent power and help ourselves, and when I say help ourselves I do not want my remarks to be misinterpreted that the African is the only one. We have all to help ourselves, and work hard and make our contributions to the progress of this country, and there is nothing finer than that as Europeans can do than to give a first-class example. There must be a social stigma on those who refuse to work, who refuse to make their contributions to the good of this country, whether they be Indians, Europeans, or Africans. (Hear, hear.)

What I feel about the latter part of the speech of the hon. member Archdeacon Becher—I may say that I thoroughly enjoyed the first part and in many ways I was in a great deal of sympathy with him, and I know the last thing he wanted me to do would be—the last thing I want to do—to spread an atmosphere of distrust and discouragement, but that is what his speech will do. I know he is courageous, he was taking a line he had thought a great deal about, but I am absolutely con-

vinced that he took the wrong line in this particular case. And what I feel is, that his speech will be an encouragement to the African to expect something that cannot possibly be achieved or to create in the minds of the Africans that it is possible to spend 150 million pounds on development in the country which, to put it vulgarly, will lead Africans up the garden path. There is no doubt about that.

As I said just now, the hon. member made no suggestions as to what could be cut out of Table A diagrammatically reproduced in this pamphlet entitled "Summary of the Development Committee Report". What I feel is that, for the last 22 years I have been in this country, there has been far too much sentiment talked about the African and about the policy of the country and far too little about a materialistic approach. I plead guilty myself to some of this sentiment, but I am absolutely convinced that in this materialistic world in which we live we have got to face up to materialistic conditions and face up to reality, and that we are doing immense harm to the African if we lead him to expect the impossible and, furthermore, we are undermining his character. Let us treat the African as a man, that is how I have always tried to treat the African—I try to treat all my employees on the Railway in that way, no matter their colour, and if a man is a fine craftsman or citizen he has my admiration. I am not much good at sentimental talking to the Africans, and they may think, perhaps, in some of the talks I have had with them that I am rather straight and to the point. I am, because I do not believe in talking down to the African. I believe in regarding him as a man, not as somebody to be patronized. That is why I feel that for the last 20 years we have probably made some mistakes. Let us rectify them now and put the African on his feet as an independent citizen; a man whom we can all respect and trust, and let him try and help himself. I am sure that the satisfaction which comes to a man from achieving something by himself is far, far better and greater than any gift he may get from outside. (Hear, hear.)

I feel that those who encourage the African to face these really hard materialistic facts will be remembered long after those who have preached

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a lot of sentiment. It may not seem so at the present moment. It is not a particularly popular line to take to talk to the African, but I am sure it is, the right line, and I am sure in the generations to come those Africans who, I hope, will benefit from the implementation of this report will look back on those who spoke plainly to them and respect and honour their memory. I am quite convinced of that.

Now I would, in conclusion, beg of the hon. member to do his very best to encourage the co-operation and help of the Africans in achieving this plan. There has been, in my opinion, nothing like this Development Committee's Report in the time that I have been in Africa, and I hope that I have been able to convince him that I have absolutely the same objective in view as he has, and I need hardly mention that my fellow members on the Development Committee also have the same conviction and the same desire for the same end that he is trying to achieve. I therefore beg him to do everything that is within his power to obtain the co-operation of the Africans in furthering this plan.

I think we have had far too many quotations in this Council, and I am not, therefore, going to quote, but I am going to ask the hon. member if he will also read the appendix to a book written by that man whom he and I so much admire, the late Archbishop of Canterbury, Dr. Temple. I do not think at the time that Archbishop was a great economist; I did not think he ever claimed he was a great economist (in fact, the story about his tailor was a story of absolutely wrong economies), but he was a great human being, and I would ask the hon. member if he would at some time convenient study very carefully the appendix to this little book called "Christianity and the Social Order". I would like him to go through it, I think there are about five sections there, and ask him whether all those five sections are included in this book which I hope he will cease to call "the yellow peril". I have gone through them myself, and I can honestly answer I should like to see them, not to the extent in the limits available I believe we have

tried to answer those points made by Dr. Temple.

One other thing. I would also ask him if he would at some time try and get a little book called "Economics for Democrats"—again I am not going to quote—by a man called Geoffrey Crowther, who is the editor of *The Economist*, but also a great humanist himself, and if he is successful in obtaining that book I would ask him to read the chapter on the economics of labour. Furthermore, if he is successful in his plea to the Government for some relief in regard to the tax, I think it was on paper, in order that he may disseminate books and literature to the African peoples, I should dearly like to see an attempt made to get a book of this sort over to the African peoples, and I believe that it would do much more good than the sum of the benefit of the Africans—again talking down to the Africans. Let us recognize the African as a man and give him something to chew on. Here is a book, written in simple language, which I suggest he might use in his first allotment of paper.

Once again may I plead on behalf, not only of myself but other members of the Development Committee, for the wholehearted support of this Development Committee's Report from every member of the community of this country, no matter what his colour, race or creed may be, and may I make a plea—and I hope I have not been too hard on my remarks—for the hon. member's help in the implementation of this report? (Applause.)

MR. NATHOO: Your Excellency, in rising to speak to the motion before Council I should like to associate myself with the many compliments that have been paid to the hon. Financial Secretary in presenting these Estimates to Council. It has been the good fortune of this Council to listen to some exhaustive reviews of the position in this country, or the misfortunes of the year, whichever you look at it, and it is neither within my capacity, nor my intention, to follow the suit of some of these eminent gentlemen who remark, I shall, therefore, confine myself to some of the points which really affect the man in the street, in the language of the man in the street.



[Mr. Nathoo]

The first item is on the revenue side of the budget, under customs and excise. The hon. Member representing Native Interests (Archdeacon Beecher) has made some eloquent remarks under this head. I entirely agree with him that this taxation does not generally fall on the taxpayer according to his capacity to pay, and that I consider most unfair. But if we tolerate this indirect form of taxation I maintain it is our duty to see that the minimum taxation, in levied in this form, and I was therefore rather surprised to see my friend the hon. Member for the Coast supporting a tax on sugar and tea, which will naturally fall on the poorer classes of the citizens. Another great disadvantage of this indirect taxation is that it invariably causes inflation in prices, and that I maintain we must avoid at all costs.

The second item under the revenue side of the budget is licences, duties and taxes. This has been the main target for attack from this side of Council during this debate and during the campaign outside in the country. My hon. friend the Member for Nairobi South, in an eloquent plea, has asked for an inquiry into the incidence of taxation, but I would tell him here and now that it does not matter how many times this inquiry is held, it will only reveal one result, and that is that the people who have the money, who are capable of paying, must pay for the services which the ordinary community is entitled to and must get.

We have just emerged from a terrible war, and the only reason why the men and women in the street during the war gave an all-out effort was to see that the new order was established under which every citizen in the state gets a fair living, and if we look at all the countries in the world at the present moment the policy is that the people with the greatest amount of money are required to pay for the social services for the betterment of the community, and it does not matter whether a man is capable of paying for his needs or not; he is entitled to and is getting much better services than he was before. I maintain that, unless this policy is followed in this country, we will be failing in our duty to the people in the promises we gave them during the war that they were fighting for a better life. I therefore maintain that if any relief is

to be afforded under this head of taxation it must be afforded to the lower income group, which, owing to the abnormal rise in the cost of living, was most affected by the difficulties of this war. There I entirely agree with the views of my friend the hon. Member for Mombasa when he said all the relief we can give must be given to the lower group incomes.

Under this head I also maintain that the surcharges on many items which were imposed during the war must be removed, and that the money which we may lose thereby must be made up in the manner I have just enunciated.

The third major item on the revenue side is Posts and Telegraphs. During the war this department was called upon to render services which were beyond their capacity, and I think we must one and all agree that the hon. Postmaster General is to be congratulated on the manner in which the Department has come through the ordeal to which it was put. But we are now returning to normal times, and it is essential that in a normal world we must give value for money, and it is time we got better value for the money spent, particularly on telephones.

I would request the hon. Postmaster General to make every effort to see that the community gets better service in this line, particularly with regard to trunk calls. There is another item under this department to which I should like to refer, and that is the item whereby a charge of Sh. 1/30 per money order for the air mail service which is at the present moment charged in respect of India alone. About four years ago, if my memory does not fail me, or five years, a charge of Sh. 1/30 per money order for the air mail service was imposed on all money orders to England, South Africa and India. A year or two later this charge in respect of England and South Africa was removed, whereas up to the present this charge has been kept on with regard to money orders to India.

I think, in view of the heavy traffic which the ordinary small person creates in the way of money transfers to India, this is most unfair, and there is no reason why when the charge has been removed in one instance it should not be in the other. I appeal to the hon. Postmaster General to remove this anomaly at the very first opportunity.

[Mr. Nathoo]

Another service under this department is the broadcasting service—Cable and Wireless. For many, many years there has been a constant complaint from that section of the community whose interests I represent about the rotten broadcast programmes which have been provided by this service. I must say during the last few months there has been a marked improvement in the arrangement of the programmes, and I hope the hon. Postmaster General will still make further endeavours to see that we get better services for the licences we pay.

I will now turn to the expenditure side of the budget, which, with few exceptions, has been left alone by speakers from this side of Council. The reason is quite obvious. We have asked for services and are now getting them, and the only wise thing to do is to keep quiet about the amount and just attack the revenue side whereby we are made to pay for the services we have asked for. I maintain that the time has come when the policy of expensive administration which has been followed so far by the Government must be brought to an end. My hon. friend the Member representing Native Interests (Archdeacon Beecher) has made a plea for the strictest economy in all departments to see that money is well spent, and I maintain that the time has come when we must come down to earth and call a halt to this expenditure.

Under expenditure head 2, the vote of the Judicial Department, at the present time we hear a lot of complaints from the general public about the very great delay that occurs in the administration of justice owing to shortage of resident magistrates at various centres. In Uganda I notice the Government has made use of the honorary help of the legal profession in this direction, both of the European and Asian communities, and I hear from reports that the results have been most satisfactory, and I commend it to the authorities here to see that the legal profession of both communities get a chance to render some service to the community in this direction.

I come now to a department on which I am going to take a few minutes of Council's time—perhaps more than I ought—and that is the department of the hon. Director of Education.

I want to make it quite clear from the outset that the present Director and his predecessor have been most sympathetic in their efforts to give all the help, all the assistance, all the services they could to various sections of the community, particularly in regard to Indian education, but the funds at their disposal have been so small that in spite of their efforts they have been able to achieve very little indeed. I should like to say in this connexion, without any fear of contradiction, that if the present policy of Government in this direction is to be continued, the sooner a stop is made to wasteful waste of money in the department the better, as we can ill afford to spend the money we are doing in this department for the very rotten results we are getting from it. The department in the past has tried to get teachers, both locally and from overseas, but the salaries offered to these teachers have been so niggardly that any person who is anything like a good teacher will not look at them. I understand that a revised scale of salaries has been under consideration by Government for the last few years, and I maintain that the time has come when this matter should be expedited and revised scales of salaries should be offered, so that improvement may be effected in this direction.

The present teachers look upon their job not with the personal interest which they should, particularly in this profession, but as a stepping stone to some other lucrative job as soon as that is possible. Those teachers who are good are so dissatisfied that they look upon the Education Department job as a pig money job and devote their energies and time and spare hours either to private education or some other business, and I maintain that this attitude on the part of teachers should be put an end to at the very first opportunity.

At the moment and for some years to come their is very little chance that the salaries which we may offer to overseas applicants are likely to be attractive. It is only other alternative course we have is to start training centres both for men and women in this country. A very laudable effort has been made by the department in this matter, but I am afraid that the facilities and advantages of this scheme have not been fully taken up because of lack of hostel accommoda-

[Mr. Nathoo] tion for upcountry people in centres like Nairobi and Mombasa, where these centres are operated. I regret to say that while the two other major sections of the community are enjoying these hostel facilities, and I would like to say here that I do not begrudge them their good fortune, I appeal to Your Excellency to see that the Indian community also is given at least one or two hostels in the major centres, so that the children from upcountry, where only primary standards obtain, can come down to these centres and take advantage of the education so essential to them if they are to be good citizens and live here as decent people.

There is another aspect of Indian education to which I would like to refer, and that is grants in aid to various schools. Owing to the fact that Government has not been able in the past to provide us with the schools and facilities which we should have been given, my community has taken upon itself to run schools at very great expense to themselves. During the last year or two there has been a fairly good increase in the assistance given to these grant-in-aided schools, but I still maintain that further assistance should be afforded to them, both in the way of recurrent and capital expenditure, so that the useful work the schools are doing may be continued. The accommodation for children who get, as I have said, at the moment a rotten education, is also taxed to its utmost capacity, and I appeal to Government to see that the work at the various schools at the large centres is expedited, and if the Public Works Department under the Director of Public Works is too busy to carry out this work during the forthcoming year it should be given out to contract, so that this most essential work is not put off indefinitely.

There is another branch of education which the Government has been contemplating for many years past without being able to put it into effect, namely the question of vocational training. In this post-war development period I maintain that this is one of the branches of social service which requires urgent attention, and that this vocational training should be made available at the very first opportunity. Then there is another vital branch of this side of social ser-

vice which I consider needs attention, and that is Girl Guides and Boy Scouts. It is very gratifying to see that the Girl Guides have now been able to get headquarters, due to the generosity of the King George Memorial Fund, but I maintain that unless both of these organizations are supplied with a full-time trained staff the services which they can render to the future generation will be very difficult indeed, as we cannot indefinitely rely on honorary workers to give the very best they should and are giving to the utmost of their capacity. I maintain that the time has come when we should follow the example of some other colonies and give a grant to these associations to enable them to obtain full-time trainers.

Coming to the Transport Licensing Board, my hon. friend Mr. Thakore has given us his views from personal experience, and I therefore do not wish to say much about this body. It was created to control and co-ordinate transport, and has done neither, but that until such time as this body is abolished arrangements by the authorities should be made whereby applicants do not have to wait for days for their applications to come up, but things should be so arranged that no applicant should wait for more than a couple of hours at a time.

Under the head Miscellaneous Expenditure comes War Expenditure Civil. It is gratifying to see that the control of petrol has been removed, and from information at my disposal I understand that no extraordinary rise in consumption has occurred. Along with this department it is high time that the control of second-hand cars was removed. The officer on whom this thankless task is devolved is discharging his duties with great credit, I may say, but the time has now come when this control of second-hand vehicles should be removed forthwith, and this control should only operate on the control of new cars which are coming into the country, until such time as the short supply ceases.

Another department which has been doing very good work and which for some time to come must be retained is the Rent Control. This department, I am sure, has done a great service to this class of the community who are tenants, but there are one or two anomalies which should be removed if we are to

[Mr. Nathoo] look at this Control quite impartially. I am referring to one particular instance of which we are aware, the present high price of properties at which they change hands, and, when they do, the landlords only receive pre-war rental on those premises, whereas any person who builds a new building is entitled to a rent on the present value. I maintain that this should be gone into and whatever hardship there may be on some section of the community it should be removed.

Another item under this head is an item for £490 for the Control of Hotels Authority. In this connexion I know that the sentiments of one section of the community have been ventilated in this Council before, and I reiterate them and make no apologies for it when I say that to all sections of the community except the European the hotel keepers give scandalous treatment and it is high time that Government stopped this most unfair and iniquitous treatment given to persons other than Europeans.

The hon. Member for Mombasa is very solicitous about the tourist traffic. I support him when he says that we want tourists, whether white, black or brown, and we want tourists and want their money (laughter), and I am sure that if people in the oriental countries where there are potential tourists, like India, knew they were being welcomed to this country we should have quite a few tourists from them with all the money they spend. But the reports are that even personalities like the Aga Khan obtain admission to hotels with great difficulty, and I maintain that the time has come when some strong action should be taken by the authorities against this class of treatment.

Under the vote for the many departments which come under the hon. Member for Agriculture, Animal Husbandry and Natural Resources, I regret to see that very little is done for that class of workmen or class of community, the Indians, who have the misfortune to live in this country. (Laughter.) I hope that the benign eyes of the hon. member will occasionally turn in that direction when he is considering the interests of the farming community.

Now I come to the department under the hon. Member for Health and Local

Government. The Indian community has a standing grievance regarding their hospital facilities, and I trust that the funds left to the department by generous donors in the last two years will be made use of in providing a hospital in Nairobi during the forthcoming year. There is another item under this department that I would like to refer to, and that is the question of taking over the public utility concerns which up to now have been given monopolies. I trust that Government will go into the matter, and see that some of these concerns, which are revenue producing, come under the control of Government, so that the taxpayer can get some relief out of the funds derived from them.

Now I wish to speak on a subject which is causing concern in the minds of one section of the community. I mean the Asian Civil Servants in Kenya, who have had a raw deal from the Government, and it would not be out of place if I recapitulate here a brief history of these unfortunate workers. In the last fifteen years both the European and the Asian Service have made efforts to have their salary structure revised and their grievances redressed. After many efforts the European Civil Service was fortunate enough in having the Surridge Committee report accepted in the month of November, 1945, with effect from January, 1944, in retrospect, but in spite of all the efforts of the Asian Civil Servants their plight has remained unaltered. A committee called the Webster Committee was appointed, but it became defunct before it started its deliberations. Sir Gilbert Rennie, the then Acting Governor, induced the Civil Servants to serve on a new board, called the Asian Civil Service Board, and just about the time when the report of this Board is being presented to the Government, this august body quietly makes the statement that a royal commission has been appointed to go into all the terms of service of the various services. The Asian Civil Servants had great hopes that with the appointment of the Asian Civil Service Board they had a sporting chance of their grievances being redressed, but with this announcement, however, all their hopes have been shattered. Government has declared that they will give effect to urgent recommendations which might be made by the Asian Civil Service Board. I can

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no reason why, if the European Civil Servants had their grievances redressed by the Surridge Committee, the Government should not accept the recommendations of the Asian Civil Service Board and leave it at that until the commission makes a further survey.

The only reason I can think of is that the Government never had any intention of giving a fair deal to the Asian Civil Servants. I am not exaggerating when I say that the major section of this community has been very badly hit owing to the abnormal cost of living during the war, and in spite of the fact that these war bonuses were given to them, it was not anything like enough to cover the increased cost of living, and I maintain that these Asian Civil Servants are entitled to demand from the Government that the recommendations of the Asian Civil Service Board be accepted forthwith. If for one reason or another Government is unable to do this, then I demand that Government should make an unequivocal statement that when the royal commission has examined the structure of the salaries the effect of their recommendations will be made retrospective, as was done in the case of the European Civil Servants. Unless this is done, I am sorry to say that the grave discontent which at the moment prevails in the ranks of this class of worker is likely to lead to very serious repercussions.

That completes my statement on the revenue and expenditure side of the budget.

Coming to the Development Committee's Report, we have heard the very fine speeches both by the rev. Member representing Native Interests (Archdeacon Beecher) and that on behalf of the Government by the hon. General Manager. I do not think that, knowing the reverend gentleman as we all do, we can attribute anything but the best motives for the fine oration he gave to this Council yesterday. When we look at it from the other side of the question, we may fear that it might do some harm in the minds of the native population, but I am sure one thing which is the opinion of my hon. friend will do is to make the Government realize that the approach to this question has not been all it should

be. I agree with the hon. General Manager when he says that we would like to have more finances if we could get them, but with the finances we have got, I think, to realize that a more human approach to the whole problem will go a long way to ameliorate certain conditions which are not satisfactory and enable us to achieve some success in the work we have undertaken.

Before I sit down, I should like to say how very grateful we are to Your Excellency for the excellent lead you have given to this country when you pleaded for more tolerance and a spirit of give and take and tolerance between the various communities. I maintain that in this country there is room enough for all the communities. The only thing required is a little more sense of toleration, sense of fair play and justice, and a spirit of give and take, and if we all do that I am sure that the results will be reflected in the increased prosperity and progress of the people of this country, which is our permanent home, and the welfare of which is our constant care.

MRS. WATKINS: Your Excellency, I rise in my usual evergreen form to oppose the budget in its present form, and to say that the first I thought it would be better to send it back to the Government for redrafting, but I am content if the Standing Finance Committee is competent to make the somewhat drastic alterations which would bring it into line with the opinion of the main taxing community of this country.

My first remarks may be somewhat disjointed because in this Council, while I was at tea this morning, someone has stolen the first four pages of my notes. (Laughter.) However, I have been told, by the last speaker that we must be tolerant, so I will try and take the joke against myself!

HIS EXCELLENCY: The hon. member will recognize them when she hears them, no doubt! (Laughter.)

MRS. WATKINS: I only hope I shall hear them from the mouth of the hon. Financial Secretary—that would give me great pleasure!

Now I also want to say that I feel that neither this budget in its present form, nor any budget that can be brought before us at the present moment,

[Mrs. Watkins]

could possibly form the policy for the next few years, for the very simple reason, which I will not reiterate but just touch upon, that we have at present no statistics, no facts—before us. Until we have these facts before us we do not know on what foundation to build. I do not ask for this alteration in the form of budget so much because, as Your Excellency thought, we were pleading that we were an overtaxed colony, but more because of the inequality of the taxes. As Your Excellency well knows, a sense of injustice or inequity leads to a far stronger feeling of restlessness and discontent than even a high rate of taxation. Your Excellency, I think, misunderstood us to degree when you said it was a brand new idea that we should suspend income tax. Yes, Your Excellency, it would have been if anybody had suggested it, but they certainly did not in my constituency; nor did they, as far as I know, from reading the papers, in any other. The only thing that was suggested was that, in view of the enormous evasion and the arrears that have not been collected, the whole force of the Income Tax Department should be employed in collecting those belated payments, and meanwhile we should try and collect our statistics, and that when those statistics are before us and when those belated payments have been installed up we should then be in a position to know the proper rate of income tax, which should then be made retrospective to January 1st, 1947, the old rates having been kept on until December 31st, 1946.

That is rather a different picture. That is how I fully understand the situation—I may have been wrong, but it certainly seemed so in my constituency. In that respect I do not think we were as unreasonable as we were supposed to be, but to you, Your Excellency, it evidently did seem unreasonable, and you twisted us about maintaining that we were over-taxed, while at the same time we had nine golf courses in the vicinity of Nairobi. Touché, Your Excellency, most of those golf courses are in my constituency. (Laughter.) They probably help to keep us sane in the difficult conditions in which we live now on the farms! I do not play golf! But perhaps we do come under Kipling's strictures

on muddled oafs and flannelled fools, and, of course, we are always delighted to include among ourselves certain well-known figures in this town!

I should like to point out some of the injustices, or perhaps I should call them anomalies, of income tax. There is a slight difference between those words. We generally, I think, divide taxpayers into two classes, honest and dishonest, but I do not know if the Commissioner of Income Tax himself has yet divided the honest taxpayers into three special divisions: the Government official, the salaried employee, and the farmer. (Laughter.) Those are the divisions as I see them, and as indeed my chartered accountant sees them.

The first example is the Government official—I am going to give three examples. First the Government official, who starts with a salary, shall we take for the sake of example, of £520, with a wife but no family, for the sake of convenience. (Laughter.) Anyway, we had better start off with no family, going up in 25 years by £20 a year. He also, for the sake of convenience, has no insurance policy. That applies to the Government official, but not to the other classes. During his 25 years, so I am told, he will earn £18,000, and the income tax he will pay over that period will be £1,165 at present rates.

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For my third example I am taking the farmer—he is the worst off, of course. He has made losses in the 25 years over five years, and over those five years his income has been less than his personal allowances. Over the remaining fifteen years he has made varying amounts between £600 and £2,000 a year. Those of you who have had experience of farming in this country will no doubt say that is a very fair statement. He has to pay income tax on

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[Mrs. Watkins] the lower income group people here have very little margin indeed, but at the same time I do not believe that a tax of 52 cents per person in a family per year for Europeans, or 26 cents for Africans—which is all the sugar tax—would amount to if it was increased by one cent a lb.—would hurt any individual in the country, and I believe it would spread the tax much more evenly and it would bring in a large amount extra on the budget. We heard from the hon. member Archdeacon Beecher yesterday that it would be very hard on the African, and in his next breath he said that the African was only allowed 4 lb. of sugar a week. It does not seem that 26 cents a year would be very heavy. An increase in the tea tax I also support.

His EXCELLENCY: I do not want to interrupt the hon. member, but I think you made a slip of the tongue—1900 a year?

Mrs. WATKINS: £900 over the period. We are taking 25 years for all the examples. That is £18,000 over 25 years and income tax over 25 years, which is the only way to reckon comparative examples of income tax. The official pays £1,165 in income tax over 25 years; the employee with the same conditions pays £2,065, and the farmer £2,600 over those years. These figures have been checked by people competent to check them, and that same person, who is far more certain of his figures than I would dare be, says that he would set into them with anybody interested, including the Commissioner of Income Tax. If he should wish to. That is one of the anomalies—shall we call it an anomaly or an injustice?—and we have asked for our income tax to be spread over not 25 years, but a period of three or four years, so that farmers may pay practically the same rates as you pay if we have the same incomes as you have.

Nor can I accept another statement by the hon. Financial Secretary that a graduated poll tax for Africans is impracticable at the present time. Indeed, I think it is a gross injustice on the agricultural African that he should pay exactly the same poll tax as the more fortunate people who perhaps have gone into the Sh. 300 a month class. I cannot see at all why graduated poll tax should not come in for our better off Africans.

On indirect taxation, the reduction of import duties, with special reference to those items appearing in the cost of living schedule, has already been asked for and I will support it. We know that

the lower income group people here have very little margin indeed, but at the same time I do not believe that a tax of 52 cents per person in a family per year for Europeans, or 26 cents for Africans—which is all the sugar tax—would amount to if it was increased by one cent a lb.—would hurt any individual in the country, and I believe it would spread the tax much more evenly and it would bring in a large amount extra on the budget. We heard from the hon. member Archdeacon Beecher yesterday that it would be very hard on the African, and in his next breath he said that the African was only allowed 4 lb. of sugar a week. It does not seem that 26 cents a year would be very heavy. An increase in the tea tax I also support.

While I am speaking on revenue I would refer briefly to one of the country's chief headaches, and should like to suggest a mild dose of aspirin—I am referring to the education vote and the growing amount of the education vote—in the form of a sliding scale for tuition fees for those people who are well enough off to afford it and who send their children to the excellent Government day schools we have. I am quite certain one of the well-off gentlemen sitting opposite want to chalk up the expenses of their children's tuition to the Government, and yet that is in fact what is being done—Sh. 10 a month or thereabouts; that means £4,10 a year for the first-class education of each child, which seems to be extraordinarily low. I am told a sliding scale could not be brought about, but I am sure it could. If it passes the wit of man I do not think it would pass the wit of woman to suggest one. I think we should have a sliding scale, because I do not believe the lower income groups could afford to pay more than the present rates, nor do I want to put them in the awkward position of having to appeal for a reduction. But those who can afford it should pay more.

The hon. member Archdeacon Beecher yesterday suggested an undeveloped land tax. I want to put it to him—would not that be rather hard on the Masai and the Egiyo, and on that charming little Wanderobo family who are in almost sole possession of the Londiani Hill, Mr. and Mrs. Sivicare. It seems to me that if you are going to have an undeveloped land tax you would have . . .

ARCHDEACON BEECHER: When I spoke of an undeveloped land tax I spoke of it in connexion with persons who had received grants of land, being non-indigenous persons, and who had not developed their land.

Mrs. WATKINS: I did not realize he was on a racial issue there! (Laughter and applause.) I naturally thought there was some semblance of equity in it. I should like to see my friends, the Wanderobo family, who have most of the Londiani Hill to themselves, Mr. and Mrs. Sivicare, made to pay that tax!

We do know, Your Excellency, that direct taxation has been inequitable in part because of staff shortages, and no one, I am sure, would want to be hard on any department in that connexion. We have every sympathy with it, but we do want to stress that we cannot continue like this—we know that the hon. Financial Secretary is with us on occasion; we know that quite well—but we cannot continue paying these high rates of taxation which are really partly due to this evasion which has been going on. Your Excellency said in a recent speech that for an honest man to discontinue paying his taxes because his rogues evaded them was new. Your Excellency, I do not know quite what you are referring to, but I have not heard that suggestion made anywhere in my constituency, and I should like, on behalf of my constituency, to refute it.

His EXCELLENCY: I did not say, if I may correct the hon. member, that it was new, but only that it was odd. (Laughter.)

Mrs. WATKINS: To pass to the expenditure side of the budget, I should like to deal with two matters of principle first. One of those is that it would seem to be wrong in principle to have new posts created, even when a new post has been approved and is waiting for an occupant, but to have it filled before we have had our statistics, before we know what our policy is going to be, &c. I maintain, wrong in principle. I believe that the hon. Member for Nairobi South, who is our leader, knows of a certain post which has to be filled otherwise the country would be set back, but there must be very few of those, and I do submit that we ought to wait now until we have our statistics. For one thing, I

think it will hurry the Government up in getting those statistics. I believe, of course, that the police will have a tremendously high priority both in regard to numbers and in regard to their scales of salary, but I very much doubt whether the new Establishment Officer of the Secretariat will share that priority in any way in the eyes of the public.

We already have one Establishment Officer on £1,000 a year, another on £620 a year, we have a third on £390 a year and we have an Establishment clerk on £375 a year. That is just an example and I think it is a good one, because the public has believed—I think I can say they were led to believe—that when the Members of the different departments were created it was going to lead to a decentralization of Government responsibility, that the Member for Health and Local Government and the Member for Agriculture, etc., were going to take a certain amount of work and of responsibility off the Secretariat, but still we see with what glacial irresistibility the Secretariat grows. I think we should wait for our priorities before we see how far that growth can go in any one direction.

Another matter of principle arises out of the substantive, as well as the substantial, increases of super-scale salaries in this country—just a few of them. These went through without being referred to Legislative Council. When I first heard about them, of course, I thought they were just put up as part of the budget debate, but then I heard they had been implemented before budget time came along. I had thought of moving an amendment that those salaries should be reduced by Sh. 1 each respectively, not that my amendment would have shown that I was in any way particularly against any of the present holders of the posts getting an increase, but that I was just against the principle, but I was informed that I could not move that amendment unless I had your permission, sir, which I should probably not obtain at the present time.

Rumour has suggested that those salaries were put up because they have to come into line with the West Coast—I stand to be corrected on this—but the conditions of the West Coast are so entirely different that I can hardly believe that this could be true. On the West Coast you cannot have your



[Mrs. Watkins] family with you; you have got to have a separate household in England, with all the ramifications of double income tax, and so forth; you have got an extraordinarily uncomfortable climate: I believe no one will really appreciate our railway until they have travelled on the West Coast railway, and—I will stress this—there is only one golf course in every town! I think it is hardly fair to say that our salaries have got to be commensurate with those paid in the West Coast under those conditions.

It is, however, not on rates of salary that I wish to raise this, but only on a matter of principle. The hon. Financial Secretary departed from the usual practice of the Civil Service and attacked in the Press a statement of mine as to the manner in which the salaries had been stepped up—

MR. TROUGHTON: On a point of explanation, I attacked the report of the statement; I did not know what the statement really was. (Laughter.)

MRS. WATKINS: I am just about to tell him! The substance of my statement to my constituents was that I, as their representative, had not known anything about these increases of salary, but that to the best of my knowledge it had not been before the Legislative Council, which is in theory, but unfortunately not always in practice, the money providing chamber of this country. The hon. Financial Secretary, obviously touched on the raw, reacted with a cutefish trick and squirted ink, and his letter in the Press might certainly have been taken to mean that the Standing Finance Committee, which is a sub-committee of this Council, had executive authority over the allocation of Government funds. As I hope everybody in this country knows that is the prerogative of the Governor in Council.

Bluntly, he says in the Press that I made a misstatement of fact. Bluntly, I say that accusation is a misstatement of fact. We all know that the Standing Finance Committee can neither initiate nor decide these questions, but the initiative has to come, I believe, either from this Council or from yourself, Your Excellency, or from the Colonial Office. Has it come from this Council? To my knowledge it has not. That means it

must have come from the Colonial Office or from Your Excellency, and on principle we do not think it right that these matters should be initiated by the higher powers and passed without the knowledge of this Council and without the knowledge of the junior members of Legislative Council, of which I am one.

I freely admit that I did not read all the minutes of the Standing Finance Committee when they came before me (laughter), nor do I read in precise detail all the supplementary estimates, and I will give you a reason for that. I had 90 pamphlets, letters, reports and drafts sent to me in one month, last month, and I cannot do more than read one or two a day, so, being drowned in paper, I did not get through all the minutes of the Standing Finance Committee. But I can now state that it did not appear in the minutes of the Standing Finance Committee in any recognizable form, nor did it appear in the supplementary estimates; so that the new recurrent expenditure must have come out of the country's savings, which is surely rather curious procedure. So on a matter of principle I bring it up, and I think that is all I have to say about it. (A member: Hear, hear.) (Laughter.)

Dealing with the Post Office, there must surely be a reorganization of this department. The privilege of 2½d. for a local letter and £1 a year for a box in which that letter is put, and then not having the letter delivered to you, seems to me altogether out of perspective at the present time. I do suggest that an entire reorganization of the Post Office is necessary as soon as the Postmaster General can get supplies. We know it is not his fault he has not got them already, but I suggest that largely increased revenue will come if increased service and greatly reduced rentals and charges were able to be made.

I will now refer to rural telephones. I have just had a note from the Women's League, of which I am a member, which indicates that the rural telephone service is deplorably inadequate at present, that rural districts need it in emergency even more than urban areas, and the women of the country are particularly pressing for an adequate service to be provided within the next few years. It takes at present one or two

[Mrs. Watkins] days to get a doctor right out in the country. That, I think, is more important even than the general telephone service.

Now, Information Office. I believe it might be a good thing, but it is not at the present time. I believe that what it should first concentrate on is giving the African real freedom of the Press. I am referring to real freedom, not licence; if they start their papers—their dailies or weeklies, or whatever they want to start—they have to hire a press that belongs to another community. Therefore, they are not free to pursue the policy which they want; nor can they try out their experiments. I believe the Information Office could organize and take away, if necessary, from the Government Printer part of that war bonus that we seem to have got from the military in the form of new printing presses, and if one for Africans could be erected and rented to them it would pay the costs for the upkeep and investment of that money, and they should be allowed to have their own press. We have known in England, surely, in our generation the trouble on the great dailies which the advertisers got at the upper hand and dictated the policies of those papers. I do say that freedom of the Press is one of the most valued things we can have in this country, and you can never have that freedom of the press as long as one community depends on another community for the publication of any material it wishes to publish under the duress of obeying or not publishing at all.

Coming to Prisons expenditure, I am very glad indeed to see that in D.A.R.A. a large sum is set aside for the new accommodation we must have. Unless we can keep our recidivists and our ordinary prisoners and our young offenders all in separate and ordered compartments as it were, we shall never get any good out of shutting a man away when he has become a nuisance to society. This brings up the whole question of crime, and I do not believe that either the Police or the Prisons are the answer. I am sorry more did not come of that crime debate; we had such high hopes. But nothing did come of it, and we must have a new approach, and I suggest we

take a leaf out of the book of the United States. I have been in communication with the Attorney General's office of the United States, and they have sent me the Hansard of their crime conference they had some years ago—a very excellent and very illuminating document.

They brought the whole community together and declared war on crime. They had the doctors and the school teachers and, of course, the prison and police authorities, and the Press and representatives of the public, and they had a three day conference, and they decided that the whole community must get together and see what part each one could play. I believe that is the answer to some of the questions that were worrying the hon. Archdeacon Beecher yesterday. I believe if he came along to such a conference and spoke for 20 minutes on what he knew it would be helpful, and representatives of the magistracy and judiciary should be on it. Your Excellency knows yourself how difficult it is to criticize the judiciary when you want to, if you ever want to, which we do. There is a kind of *terro majestatis* about it. But if the Judiciary found that the public opinion of the whole country in such a conference was against these things that are happening in the Court of Appeal, and so on, they may take cognizance of it. After all, the laws of the country are passed with the will of the people.

I believe that a crime conference in this country, with all of us getting together, showing what we can do, would be one answer. One of my more prominent legal minded constituents has put this up to the Attorney General already, and I want to ask the hon. Attorney General a direct question. I want to ask him, when he replies to all the questions, to tell me whether he thinks such a conference would be useful in this country and whether he agrees with the lines suggested to him by my legal luminary friend who is in the town.

I should like to express appreciation of the keenness of our new Labour Commissioner. With the influx of young men straight from the front into that office the whole approach to this enormous problem has been quite changed. I would say one thing more; our Labour Commissioner has actually won the confidence



[Mrs. Watkins].

of the Kiambu constituency. (Laughter.) But I do want to tackle him on one or two points (laughter), because the most sensible people will be the most nonsense at times, and I want to tackle him on a piece of nonsense. Speaking at Kiambu recently, on the minimum wage, he suggested that output was not the only, or I think he said the main, consideration. I went back to my dictionary and looked up the word "wages", and I found that "wages" is pay for work or recompense for services, so how you can have a wage which is not dependent on part of its own definition I do not know! In the economic field it must depend on the output, and that is our great problem to-day. When Government enunciated the entirely new thesis for Africa that everybody must work, we all got very hopeful, but even the Labour Commissioner himself refuses to define the word "work". "Bacterial proliferation of files" might be a very good definition for the Secretariat, but for another institution I visit more frequently—the ultimate resort of the relatively sane—we call work occupational therapy. I think that is where perhaps the Government is getting its definition wrong; it is using work as meaning occupational therapy.

There are various ways in which we can deal with this if Government were firm. I am not in the least referring to conscript labour, nor forced labour, but I am referring to such things as famine relief, which is provided in ever increasing quantities at an ever increasing cost to those of the community who are working, and creating an ever increasing idea in the African mind that it does not much matter. Government is always behind them. Taking an example in my own constituency of Sukari Ltd., a big sugar producing factory which has in the cane, or had in the cane a fortnight ago, 80,000 bags of sugar, but they cannot get the sugar through lack of labour. It seems to me quite reasonable for the Wakamba to be told "We are not going to import labour from a long distance to cut that sugar for you to eat; you will be the first people to go without your sugar ration. Why should the Juluo, why should the Kisii, come down and cut the sugar so that you may have your ration?" That would seem to me to be plain commonsense. Nor can I see why

famine relief should be continued when work under good conditions with good pay, is offered in various parts of the country and is steadfastly refused. Why that man's family or that man should have any relief at all I cannot see; it seems to me simply not commonsense. I hope, for the country's sake, that speaking like this to the Labour Commissioner I shall be preaching to the converted!

I cannot agree with the hon. Member representing Native Interests (Archdeacon Beecher) more than when he says our African employees working in the towns should have something on the lines of the British Restaurants available to them. But I would draw his attention and yours, sir, to the fact that the African himself is the main opposition to that. The African is such an instinctive capitalist, when he sees a chance of making a large profit out of a hungry man going-going-gone, he does not want "British restaurants for those people who cannot afford to pay his high prices. I believe that is the main thing we have to overcome. I have found that no one is quite so merciless on the African as the African himself.

When he mentions Africans going to England I am sorry that even his vivid imagination did not allow of the suggestion that it should be African women first, because I believe that if African women—four or six a year—were sent home, probably to the North Country, and taken in hand by our Women's Institutes and asked to help to run an English home on the English standard, with no one to help except themselves, I think that would be an eye-opener to the African woman. She would come back full of the idea of how she could help her country. I believe that of the conservative element it is always the women that must be tackled before you tackle the younger men.

ARCHDEACON BEECHER: On a point of explanation, the greater includes the lesser! (Laughter.)

Mrs. WATKINS: I cannot admit to that, but I am glad anyway he has the grace to admit that the women are essential!

I should also like to agree with him wholeheartedly on the austere standards he advanced: Most of them may have to

[Mrs. Watkins].

be imposed whether we like it or not. I do not know whether polishing finger nails was included, but if so he was preaching to the converted as far as I am concerned.

Now I want to deal very briefly with D.A.R.A. First of all, I should like to welcome that report in its main principles and to state my appreciation of its clearness. On its agricultural side I must admit I am rather frightened, because I cannot see (being a farmer—a very small and unimportant farmer, but still someone who has lived on the land all her life) how ten acres per beast and ten beasts per family on land that has only a few inches of rainfall a year can possibly give a decent, even an equal, standard of living to the present standard. I am worried at that. I think it is going to cost Sh. 40 an acre or £500 per family by the time the water is there, and I cannot see how many families that will cover with the money we have, or how each family is going to make it an economic possibility when they can only graze say ten beasts, which will be practically their sole source of income. They may have an acre or two, but, as we know, an acre or two is not much use without rain.

I want to welcome the expenditure on Mathari—I cannot let Council get away without reference to that! I think it is going to be on a new site and will be a very good hospital. I have only one suggestion to make, and that is, I think it is a great pity when you are going to have here a Mathari for other colonies, that they should not come in with us on the capital cost as well as on the per capita cost of patients there. We would have a better building and better equipment, etc., if the other colonies came in with us.

Again, on the medical ground, I must deplore the fact that the training of African midwives in Kisumu has been wiped out. I consider that service to be the fundamentally important service in the Medical Department here, or indeed in any country. I have said before in this Council—and I am the only person here who will say it—a woman is not frightened of a child that can be born, but a woman is very frightened—and it hangs over her like a cloud before the birth of a child—of bearing a child which

cannot be born without skilled help. If that skilled help is not available, there is nothing anybody can do except wait until the screaming ends in death. I have had to experience two or three such passages in my career, and I do submit to this Council that the training of midwives is a very essential service, especially as there are in these constitutional places of ours, like Legislative Council, so few women who can plead the cause of the young woman about to have a baby.

On the medical side there is another point I want to press, and that is I believe we are missing a grand chance to do something, not for ourselves this time, nor even for our Africans, but for the old country and for the men at home who sacrificed their health in the last war: I refer to the tuberculous patients of this last war. I believe that in this country, with our climate, we could give them a hope of cure that many could not achieve at home. We have first class food, we have available a first class building at Nanyuki which we could not begin to build at the price it is going for now. There is a lovely climate, 600 acres of ground, a great glass window looking out on the snow mountains of Kenya. I suggest, if we could set aside £20,000 for the purchase, starting and equipment of that place it might be run under private enterprise, under Government control, of course, or it might be run by Government itself appointing a specialist tuberculosis doctor, but I do feel in that case that the men who come from England should be our debt, our care and our proud responsibility. What have we done to take over from England the burden of looking after all these quantities of men who sacrificed their health as well as their lives on occasion? If Your Excellency says there is no money for it, I would remind you of Gertrude's Garden. I believe that if Government got the building and the equipment the money would come pouring in to support those men: I believe it would come rolling in. If you wished to, you could make it part of the war memorial, and I believe every one of us would increase our contribution to the war memorial in addition to the museum, if it was to provide a place to the museum, if it was to provide a pleasant place where our men could come for cure or spend the rest of their lives.

[Mrs. Watkins]

But in the Development Report, I hesitate to say it, surely we have reached a new low level when we regard dealings on behalf of tuberculosis as a valuable, invisible export. It says here:—“The establishment of such institutions, both by the Government and by private enterprise, would have not only the effect of combating tuberculosis in the colony”

—that is perfectly true, of course. It would—but also from an economic point of view, the important result of attracting to Kenya for treatment tubercular patients from other colonies and, indeed, from other parts of the world. Were Kenya to be established in such a position, a valuable invisible export. . . . No, Your Excellency, I think we really might give something and put it on bigger lines.

Whoever did it, they not only took my notes but they confused the rest, which is too helpful!

On the subject of building of African housing, I should like very much to say how I appreciate the fact that since I first spoke on this subject in this Council, I have seen an enormous improvement in this direction, but still too prevalent is the type of house which seems particularly designed by the Public Works Department to be let to dear old Swahili ladies who let rooms fully furnished each with a girl. There is too much of this kind of building that lends itself to this system of letting, and not quite enough houses. But still we are getting on, and I will join forces again with the hon.

Member representing African Interests (Archdeacon Beecher) when he says that the building standards of the Public Works Department are ridiculously high. Your Excellency, they are. In respect of other housing I have another comment to make and that is that the housing, if left to the person or department which is going to occupy that house, is nearly always much cheaper. We have, for instance, the Kitale example, where Government is now charging approximately the same rent as the whole house cost to build for the housing of its own officials. Then we have the Forest Department, where they found the Public Works Department could not employ one of its Mitchell “economy” houses—I am glad it is not called after you, Your Excellency!—but these Mitchell “economy”

houses, with one bedroom 12 ft. by 10 ft., one 12 ft. by 14 ft., sitting room 12 ft. by 14 ft., bathroom, these economy houses are built to an abnormally high standard and with very little accommodation. They could be built very much cheaper and as well by the departments themselves. You would get a lesser standard of building and far more accommodation. A better home is what I should like to suggest.

Again, on this question of building, I believe it is partly because the Public Works Department lack supervision that there is extravagance in all its building work. I will give one instance to support what my hon. friend Archdeacon Beecher said yesterday. I was putting drains on the farm road and I wanted to know what was a good mixture to use, so I waited on the main road one day to see what the P.W.D. were doing. I saw a white man there, an Indian assistant, a native and a toto. I got out of the car and I asked the white man what his mixture was—was it 5:1 or 4:1 or 3:1—and he said: “I do not know, ask the Indian,” which I did, and he said: “I do not know, ask the Kikuyu!” So I asked the Kikuyu and he said: “Ask the toto,” which I did, and the toto replied: “Mimi na tia tu.” (Laughter.) That is either lack of supervision or lack of efficiency. That is the kind of thing we are disturbed about.

I do not think that in what we have said so far on this side of Council we can be accused of asking for more services and demanding at the same time that it should come to a lesser total. I do say that we should be quite willing to accept such taxation as we ourselves and you know to be necessary, once we have got our statistics and know what we are paying for. We are not prepared to pay for indefinite new posts, nor do we wish to see the Public Works Department standard of building kept at its present level, with its present lack of supervision in the actual work. The main points at issue, as I see them, are that this is an intermediate budget only; that we require the implementation of certain definite promises made by Government that taxes should be lowered at the end of the war—that war-time taxation should not be continued. I believe that D.A.R.A., if we can work through it and with it, may be the solution of many of our difficulties. Sir Reginald Robins was

[Mrs. Watkins]

quite right when he referred to the fact that the African must be with us. I believe, that there is hidden in this problem a very deep and fundamental reason why the days of Abraham and of wandering tribesmen and alternating periods of famine and very little food had survived into this present century. There is a great hidden reason for the backwardness of this part of Africa, and we have not solved it yet. I do not believe any one person or individual government can solve it, but I do know that unless we British can solve it and can help the African to solve it, Nature will have her way, and the backward people who are not adapted to modern conditions will die out. Between the African and that fate stand the British, and the British alone. So if the African does not want to play with the British, I am afraid we shall have to step aside and let him learn the hard way, which is the only thing that can be done. We hope the African will co-operate. If he does not, neither the Empire nor anyone but God Almighty can save him from famine, disease and ultimate extermination.

I beg to support the motion.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Friday, 22nd November, 1946.

Friday, 22nd November, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Friday, 22nd November, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 21st November, 1946, were confirmed.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

The debate was continued.

MAJOR KEYSER: Your Excellency, I feel rather nervous about opening my speech to-day in case I say anything that was in the notes lost to the hon. Member for Kiambu yesterday. (Laughter.)

I support what was said by the hon. Member for Nairobi South. A few days ago at a luncheon at which this Council was entertained by the Mayor, we heard reference being made to thinking in terms of 1939. I think a lot of statements and thoughts are being imputed to us which we never said or even thought. I do not think anybody on this side of Council has ever considered this budget in terms of 1939 (hear, hear), but at the same time, because we have not thought in terms of 1939, I do not think it is reasonable to expect us in 1947 to accept a rate of taxation that was laid down during a period of war and specially to meet the conditions of war time. As I gauge the feeling in the country—and it has not all been irresponsible talk, because at the meeting that was held in my constituency and which was attended by my hon. friends the Financial Secretary and the Commissioner of Inland Revenue, after the meeting they said to me that the meeting was so gentlemanly they had not felt at home! (Laughter.) The feeling as I gauge it in the country is that it is not that there is any very serious objection to meeting the liabilities that have to be met by the country (hear, hear), but that the incidence of taxation has not been fair and that there has been too much evasion.

On the question of income tax, I should like to make my position clear, because the Press reported me wrongly

[Major Keyser]

at the meeting that was held in my constituency. I was one of the few at the time when income tax was introduced who supported it, and I fought, and lost an election on it! At that time, the supporters of income tax thought that those who did not support it—and Government were supporters of income tax—were unduly suspicious of how it would work out. The objection to income tax at the time was that the incidence would fall on one community because it would be so easy to collect it from them, and also that it was so easy to increase the rate of taxation—that every time more money was required the tax would be increased and you would meet your budget that way. But the supporters of income tax said it was not the intention at the time that income tax should be one of the major forms of raising revenue in this Colony. My opposition to the present income tax is that it is becoming one of the major forms of raising revenue. The present dissatisfaction is largely due to evasion. We are told that the matter of evasion is greatly exaggerated and that it is not quite on the scale that is generally supposed. I should like to know whether the Hon. Commissioner of Inland Revenue, has any idea at all of how much the evasion is. I cannot see how he possibly can. Also, this evasion has gone on for so long that most of the money that should have been paid has now disappeared and is irrecoverable. That is another reason, too, why I think it is not advisable to allow income tax to go on increasing. A stop must be made to it some time.

The Hon. Financial Secretary in his speech said that the only alternative to development is not stagnation but retrogression. I think he has a very good memory, and he remembers the farmers saying that some considerable time ago, I know it is one of the things—I have always said about farming, that if you do not continue to develop you go back. We have accepted that principle on this side of Council, and we are all supporting contributions from the fund for D.A.R.A. The Railway organization has adopted that principle for some considerable time, and they make big contributions from revenue towards what they call a betterment fund, but which I presume is also a development fund.

I cannot see any reason why that principle should not be applied to farming. There is at the moment a very great interest in development in farming in this Colony. We have to change the whole balance of farming—as between stock and agricultural farming. It is necessary for land that has been under crops for many years to go back to grass, that it should be fenced, that water should be put in those paddocks, that shade should be provided, in order that stock may be economically raised and the fertility of the soil built up. It is necessary that land that has had poor grazing qualities should be fenced and its capacity increased. That is all going to cost a very great deal of money. The necessity to produce to-day, after our experience during the last war when the question of food reached such magnitude, is very urgent, and one of the greatest ways of building up a strategic reserve of food is to build up the fertility of your land in peace time, and you then have something you can cash in during a war when inevitably the demand for food arises. Therefore, I am going to suggest that it would be a very useful way of building up this strategic reserve by allowing farmers a certain amount of their revenue free of tax, so that they can develop their land.

One of the proposals made by the hon. Member for Nairobi South in order to spread the incidence of taxation was an increase in the excise duty on sugar and the imposition of an excise duty on tea. The hon. member Archdeacon Beecher opposed this as he said it would be harsh taxation. I think those were his words anyway, that was the implication—the African. It would be one of the few forms of taxation—I think tobacco is one, the excise on sugar is another and, if it were introduced, tea would be another—which every community in the Colony would have to pay. Almost every other form of tax comes down on one particular community, but these taxes would be spread over the whole community and would be entirely non-racial. Therefore, I think that is one of the great advantages of having such a form of taxation. It would, however, hit the individual very, very lightly. If the tax on sugar was as high as five cents a pound and if the rate of the African was increased from half a pound a week

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to a pound a week, he would only pay Sh. 2/50 per annum. If anybody has studied the "kuku" economics of this Colony they would find that, in order to rear one more kuku in this Colony, all the African has to do is to invest in one egg and put it under a hen. (Laughter.) This form of economy I recommend to some of our spending departments! Anybody can get Sh. 2/50 for a chicken to-day, so by investing in one egg he can pay five cents per pound excise duty on sugar.

The hon. member also said, in supporting an increased tax on petrol, that if you can afford to buy a motor car you can afford to pay more for petrol. I contend that it is equally logical to say that, if you can afford to buy a kettle, you can afford to pay a little bit more for your sugar and tea! But I would not oppose the increase in duty on petrol if it was not that it may mean simply a vicious circle going on. If you increase the price of petrol, you increase the cost of production, and I do not know whether the hon. member is aware of the amount of petrol that is used in agriculture, and must increasingly be used from now on. (ARCHDEACON BEECHER: Free of duty.) No, not free of duty. The only petrol that was free of duty was that used in tractors imported during the war that would burn nothing but petrol. All the petrol that is consumed in the transportation of crops, in starting the tractors, in starting all the engines on the farm, pays its full whack of duty.

So much for revenue. I do think that expenditure should be watched a little more carefully. Unfortunately, one cannot point to each department and show where items of expenditure have not been kept down. There is a feeling that there is a certain amount of irresponsibility in the manner in which money is expended, and I am going to give you an example of this and in doing so I am going to criticize the Education Department. I should like to remind this Council that the hon. Director of Education has only been in charge of his department for a very short time, and that his department has been unfortunate enough to have had a series of changes of direction in the last few years.

The example I am going to give is that

of the boarding fees in European schools. In the Estimates for this year the expenditure is shown as £57,000 and the revenue as £77,000. There is a loss on the boarding fees in European schools of, say, roughly £20,000. In 1945 the total expenditure was £63,000 and the actual fees received were £54,000 which showed a deficit in 1945 of £7,465. During 1945 three schools, that I know of showed a very substantial profit. I do not want to be parochial, but I will give you the figures of the Kitale School because they are the ones which were most convenient for me to obtain. The total expenditure on boarding in 1945 at the Kitale School was Sh. 74,584. Total receipts were Sh. 109,174. The net profit was Sh. 34,590, or £1,729/10. In other words, there was a profit of 47 per cent on the expenditure. The point is this, that with a loss over all the boarding fees at European schools of £7,465, this particular school made £1,729 profit. The Hill School at Eldoret made, I think, £1,000 and the Nakuru School made somewhere in the region of £2,000. I have not investigated the accounts of any other schools, but the point is that if with that loss these schools made a profit there must be some schools which are being run in an extremely inefficient way. I visited the food myself at the Kitale School and spoke to the School Committee about it and to the parents, and they are all very satisfied with the nutrition; they think the children are getting plenty of good food.

Surely a department with its own accounts should immediately have spotted that very grave difference. What does a firm do? It has a number of branches, and every few months or half-yearly it gets accounts from the various branches, and at the end of the year, these are examined, and if there is a weakness shown in those accounts by one particular branch an investigation is immediately made. I am not talking through my hat! This is what happens in the stores with whose direction I am concerned. As soon as there is any weakness in one branch it is immediately examined to find out what is wrong, and amputated if right. Why cannot a Government department do the same? In a particular case in one particular department, but no doubt in all departments it is the same.

[Major Keyser]

We have heard quite a lot about the Public Works Department. Not only do we suspect that they are rather extravagant but that they are also too slow. There is something wrong. I do not know whether it is nutritional or what (laughter), but there seems to be an anaemia, and I suggest that perhaps a year's dosing with atomic tablets might get a jerk on the department. But in this Council for three successive budgets I have tried to get some extension made to the native hospital in Kitale, which was in a deplorable state. I apologise again for being parochial, but it so happens that I know the details of my own parish. Last year we at last got £10,400, and the District Council had plans got out which they sent to the Public Works Department. They did not like them, and got their own plans out. We are now at another budget session, and nothing has been done although the money has been voted. At that hospital and at most of the hospitals in the urban areas there are quarters for the staff. But in this case the staff have to get what quarters they can in Pangani, and it is difficult for the doctors running the hospital to keep the staff because of this, and it is not necessary for me to explain the necessity of continuity in the staff at the hospital. The reason, I am told, why nothing has been done is because the plans were not drawn up. If you go to the Public Works Department to-day, go to the Labour Commissioner's office, or to the Railway and Medical Departments, to almost any department in this Colony, and you can get plans for African housing, yet we are told the reason why the staff quarters have not been built is because the plans have not been got out because the architect was so busy. Does it need an architect? I thought that the Public Works Department had engineers trained in this sort of thing. It is a simple design of housing, I could have designed it myself in 231 minutes. One year has elapsed with that money lying idle and loss of efficiency in that hospital, and this is a very serious way of losing money in this country.

If anybody had watched the Public Works Department working (laughter) or their staff working, you would be astounded at the fact that they really

do not show the boredom that they ought to on their faces; especially if you had watched the *fundi* working on the post office and the way they pretended to be busy in an extraordinary way—I counted up one day the work a man had done on a straight-wall—250 bricks had been laid. I do not know very much about this, and I may be teaching my grandmother to suck eggs, but I think for a highly paid mason to lay 250 bricks is a pretty poor outlook. He should, in my opinion, have laid 800 to 1,000 on a straight wall. That is going on all over the country. Another matter is the system of pay. I am told that the labour is paid by the month irrespective of how many days they have worked, and I was told of one particular case of a big gang of labour working on a road some way from town, who had to get their payment completed for the month by the 27th of the month—they had to be paid to the end of the month by the 27th. It did not take the labour long to discover that, and after pay day nobody worked although they had got their pay for it. Again, I am told that when quantities have been decided on they have to be used; that if 100 bags of cement were laid down in the quantities they have got to be used. Whether that means that the balance of the bags not used in the work disappears I do not know, but I am afraid there has been a certain amount of cement and other materials which do disappear.

I am going to get on to the subject of controls, because in this question of taxation that we have been discussing the matter of the cost of living does come in, and the lower group income people, I consider, are getting a really raw deal, the Europeans on a salary of about £25 a month. (Hear, hear.) They are the group to whom the reduction in income tax will not help. They are the people whose cost of living is raised chiefly by the high price of commodities used in everyday life, and import duties are one way in which they are hit. The idea of our recommendation that £100,000 should be taken off the indirect taxation was that it would help that particular class of people, because in my opinion they are the hardest hit without doubt in this Colony.

Controls, we all hoped, would be finished by to-day. Well, they have not, and there may be good reason for con-

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until the timing may of them. I think some of the food controls will have to continue until the food position has improved, but many of the other controls I myself would like to see abolished. I know that for six months things will be chaotic, nobody will know where things are and things will disappear underground, and we shall have an awful lot of trouble. I am quite convinced that after that the position would improve and we should be far better off than we are to-day. In the full cost of the controls is not so appears in the Draft Estimates. The Draft Estimates only show the expenditure by those actual controls but, taking the department of my hon. friend the Treasurer—what do you call him? the Financial Secretary—how much time does he spend in supervising these controls? Quite a lot. A number of them come under his protection and a number come under the protection of other heads of departments—they all have to give a very big amount of their time towards these controls. They have a large amount of staff in their own departments to deal with these particular controls. But, quite apart from that, nobody ever thinks of the increased cost to commerce in this country of these controls. I happen to know that in one firm it comes to a very considerable sum of money, and a very considerable amount of wear and tear on nerves.

The Control I want to talk of is Price Control, in one particular aspect; that is, the figures that appear in the Defence (Control of Prices) Regulations that are allowed to importers of profits allowed on goods that come into the country. First of all, I consider that the amount of percentage of profit that is allowed to an importer is too high. The system is that when a firm imports goods they get out the whole of their costs, including the taxation. They are then allowed to put a certain percentage on to that and that becomes the price at which they can sell to the next man along the line. Some of these figures, as I said, are too high in my opinion, and opening the book at random you get rubber erasers, pencils, pen-holders, stapling machines, pen nibs, etc. The first fellow who imports them is allowed 25 per cent. Why? I am quite certain that before the war any firm was prepared to import these

for 5 per cent and under, but under the regulations he is allowed up to 25 per cent on an article which does not perish, because I do not think that pen-holders, and stapling machines perish. Having put that on to the price and having paid customs duty, he passes it on to the next fellow who is allowed to add 5 per cent. He puts 5 per cent on to the price after the first fellow has added his 25 per cent, and so it snowballs up. The total percentages allowed are up to 75 per cent, but as they are added on in the form of compound interest the price doubles itself by the time it reaches the wretched consumer. I consider that system is one which tends to increase the cost of living more than anything else, and it is time it was abolished. (Hear, hear.) (MR. TROUGHTON: Or tightened up!) Tightened? It would be something to tighten it.

Now Maize Control. Last year in the Draft Estimates appeared an item of £80,000 under revenue. I could find no expenditure for that control, and I asked the hon. Financial Secretary whether Maize Control was carried out under *kukiri* economics with no cost at all. His reply was that that £80,000 under the revenue was the net revenue and that the expenditure had been deducted from the gross revenue. Well, I thought that was extremely unsatisfactory and could not make out why a department should be carried out under any other item in the Draft Estimates. This year, as far as I can see, I may be wrong, I cannot find Maize Control at all, but I do know that it still exists. (MR. TROUGHTON: No profit!) No expenditure or profit? (MR. TROUGHTON: No.) (Laughter.) I should like him to elaborate on that in his reply! (Laughter.)

Then we get to the old question of famine relief, and I would like to make myself clear to the hon. members representing African interests. I do not want, nor any member on this side of Council, to make the suggestion that old women or young children should be allowed to starve, but I do consider that after 50 years of government in these territories the African should have acquired sufficient responsibility to be able to look after his old people without it having to be put as a reason for carrying on with this famine relief, because we have been

[Major Keays] £793,000 and went mainly to the United States. Sisal fibre and tanned amounted to £761,000; coffee, £640,000; tea, £532,000; maize, which we can forget now, £458,000; sodium carbonate, £350,000; and gold, £321,000. There were a few other items, but the interesting point is that the majority of domestic exports are products which are produced by non-native capital and under non-native direction. Among other products that are exported there is cotton, £105,000; hides, £135,000; skins, £62,000, which are produced by the African. The point I am getting at is this: If these domestic exports are not kept up, our adverse trade balance will deteriorate and if it deteriorates we are going to find ourselves in the very awkward position of not being able to import our requirements. That is going to hit the African possibly worse than anybody else right at the beginning.

These various items I have spoken of which I said were produced by non-native capital and non-native production, are nevertheless produced by African labour, and unless African labour it going to be prepared to maintain the output at its highest we are going to find ourselves in an extremely awkward position, as I said before. The production of sisal and pyrethrum as we know, is dependent almost entirely on hand labour. Some of the food crops produced in this country to-day are being produced to a great extent by mechanization, and this mechanization is going to increase because of the shortage of labour. I should like the African to remember that one of the big problems we are going to have to face in a few years' time is that of unemployment among the African community, and that, by shortage of labour to-day and forcing the farmer to mechanize, he is going to learn the advantages of mechanization, he is going to be disinclined to go back to the use of hand labour and when unemployment does face us the position is going to be complicated by the fact that we have already mechanized. I say this because I am quite convinced that among some of the so-called leaders of the Africans there is an inclination to induce the African not to come out to work, because they think that their position is somehow or other going to be

improved. I say this because I think the African must be warned that he is going to be the first on whom this situation will boomerang.

I think most of us who have spoken on this budget have pretty well galloped over the whole field of Kenya finance. The hon. Member for Nyanza even went underground and had a look at it, and the hon. member Archdeacon Beecher took a peep at it from the clouds, but I am sure now that the Financial Secretary has a very very clear view of what the action of Government should be. (Laughter and applause.)

MR. HYDE-CLARKE: Your Excellency, I have to gallop over the field of labour, because I feel that much of what has been said in this debate has got to be considered against the background of labour and the philosophies which actuate the labour policy in this colony, and I do not therefore propose to go through the Estimates of my department at this stage. No doubt I shall be under cross-examination by the Standing Finance Committee later, but I do feel that it is necessary to go through some of what I feel personally to be the basic factors involved in this labour problem, before dealing with the financial and fiscal aspects of the colony as they apply to labour.

Very briefly, I might start by going through the organization as the first background. The second point I will try and make is the general philosophic approach.

Almost exactly a year ago Sessional Paper No. 5 was laid on the table here which contemplated the joinder of the Man Power and the Labour Departments. Up till that time labour was almost essentially an African inspectorate, and man power was almost essentially a matter of dealing with the European and Asian races. On the labour side, there is the headquarters office, the technical staff and so on. We hope to have a trades union officer, and a factory inspector, and the whole technical side has got to be tied up. We also have the registration of finger prints and the field inspectorate, which includes labour control and squatter control. I think it is necessary for me to make these points now because I shall come to this later in this discussion on man power. Then

[Mr. Hyde-Clarke] we have the whole field of dispersal and demobilization from the army and re-employment, which is essentially a labour matter, and training, about which some mention has been made to-day.

So the framework is a framework and organization suited to cope with the whole problem of the man power of the colony, and that brings me straight away to the question raised by the hon. Member Representing Native Interests (Archdeacon Beecher), and the objection he has to the use of the phrase "the proper utilization of man power". It is a phrase which was much in the mouth of Mr. Bevin when he was Minister for Labour and National Service—now a leading member of the Labour Government—and of the Prime Minister himself, and if there is anything less like a slave than the British workman I have yet to find it. I do not think it is improper to use the phrase "proper utilization of man power" when you consider what it means as applied to all races, and not merely to one. The Prime Minister earlier this year in a man power debate said: "We are faced with a shortage of man power and we must see to it that it is used to the best advantage, and that means a changed attitude of mind", and it is a changed attitude of mind which I am going to appeal for to-day on the part of all employers, whether Government or non-government.

To go on a bit and give you the background to these two divisions, labour and man power, your Government, sir, and myself are advised on the one hand by the Labour Advisory Board. And I want to take this opportunity of expressing my thanks for the advice and assistance given by that Board, and to point out: that that Board includes on the unofficial side the hon. Member for Nairobi North, the hon. Member for Eastern Area, the hon. member Archdeacon Beecher, and the hon. member Mr. Mathu; and on the Government side the hon. Attorney General, the hon. Chief Native Commissioner, the hon. General Manager, and myself as Executive Officer. So that labour matters and labour policy generally are discussed by what amounts almost to a select committee of this Council before matters are dealt with or brought before this Council. I think that is an extremely important

point. On the other side, man power: I am advised by the Civil Reconstruction Board which has on it Colonel Modera, as Chairman, Mr. Don Small representing the commercial community, and it generally covers the whole field on that side. With regard to what I am going to say this morning, I would say that so much of it as may be regarded as open to criticism I shall take personal responsibility for, and so much of it as is acceptable on the whole I shall say is the advice tendered to me and to you, sir, by the Labour Advisory Board and the Civil Reconstruction Board.

When we are discussing this question of labour, the first point that I feel is important to make is that there are two basically different philosophies between the English and the African outlook. Our philosophy is conditioned by our economics, and our economics are conditioned by our climate. It is very much more difficult to keep alive in the northern territories of Europe, and to keep warm, and that means you have got to work. That is an extremely important matter to be borne in mind when considering labour and the output of the African generally. There is a philosophy of work or starve in England, and it has been extended to India throughout the ages; but it has not been the case in this colony, it is not the case in Africa. The African has not had to work, he has not had the need, he has not had that compelling force of need. Climate itself he has been able, with a rich soil and plenty of room, to get his necessities of life relatively easily. In England, the thing which matters is the fear of the sack—in Africa it is not the case. I am going to say it is becoming the case in Africa, and that is why we must have a different outlook towards labour generally, because if we are to weather the difficult storms over the next two or three years over labour matters we have got to have a different outlook.

Under our administration here the natural controls, as the hon. member Archdeacon Beecher mentioned in connexion with the Masai, are missing—smallpox, and other diseases, rinderpest, famine, warfare, all those matters which were more ably expressed in your own dispatch, sir, are missing. We have done away with them, and the result is that

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We have got over-population, we have got soil deterioration, and we have got to face up to an entirely different outlook which we require on our part and which we must obtain from the African. The population in this colony, as far as our statistics indicate—I agree they are not reliable but they do give an indication and trend—they seem to indicate that the African population has risen from about 2½ millions to certainly 4, and possibly 5, millions in the last 20 or 30 years. We know that the soil fertility in the reserves has deteriorated over this period, we know that as the population increases pressure on the land has increased, and with the controls absent by reason of our administration, doctors, veterinary officers, agricultural officers, and the rest, we have not faced up in the past to a proper control and use of the land and the people on the land, and that is the position to-day, and that is the position which vitally affects the whole of labour. I am going to suggest, however much it may be contrary to accepted ideas, that the physique of the people in the reserves even has deteriorated over the last 20 years. I may point out Maichakos as an example. I do believe that the physique of the Wakamba tribe has gone down, and there is no question that the physique of the Wakamba cattle has gone down. What used to be known as a "Maichakos" or a phrase known throughout Kenya 20 years ago, is passing, because to-day it is reduced to the size of a small pony or a large goat.

It has been said, and rightly, on the other side that the major problem in this colony in future is going to be unemployment, and I absolutely agree it is so. Our population of 400,000 able-bodied males 20 years ago is now 700,000, and at the present rate of increase it will be 800,000 in 1950. The maximum of paid employment seems to have reached a fairly high level of stability in 1943 when it was something over a quarter of a million, and that figure has remained fairly even since then, but the gap between able-bodied males and unemployment will keep getting bigger every year with the intention indicated by many employers, particularly among farmers, of a change over to mechanization. That fear of the

sack will become more real, and that is the point the African must be made to realize himself, and it must be got across to Africans now, because if we do not appreciate that point and the reasons for it we are going to have a terrible economic disaster. There are two methods of approach. The African has got to learn the hard way, as we have had to, but I think we have got to mitigate that. One method of approach is to say "Right, wait for this deterioration of the soil, wait for the increase in population, wait until such time as the African has to beg for work and then we will teach him how to work". But if you wait for that you will be heading for economic disaster, and we cannot stop there.

The relationship between employer and employee in this country is like that of the Siamese twins—if one dies so will the other. So it is essential to adopt a constructive approach, however difficult it may be and however onerous, with sacrifices on the part of those who are in charge. If you leave it at the hard way you will get poverty, distress, and a very fertile field for political agitation based on the theory that this state of affairs has been brought about by mal-administration, a word used yesterday, and it will be used by people who have no constructive outlook towards us as an excuse to raise the cry which is now being raised in some areas: "The whole of this trouble is brought about by Europeans, whether Government or unofficial. There is no land, they have got our land. They have brought about this position. Get rid of them at all costs and we shall have a grand time". But that is another point to be hammered home to the African, that if we do clear out the African will find himself in exactly the same position in a very few years hence, and it is only by reason of the joint efforts of Government and the employing community that there is any possibility or hope or outlook of a future for the African.

I think it is important to realize that this position obtains throughout Africa, and it is not only occurring in Kenya. In the Belgian Congo there has been considerable trouble, despite the fact that the Administration there, or possibly because of the fact, has been very much more direct than is usual in running these

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territories. There they have had to make all sorts of arrangements to meet the uprising surge of African political development which is spreading throughout Africa. We have the same problems here as they have in the Belgian Congo, as they have got in Northern Rhodesia and South Africa, and to indicate that point the annual report of the Northern Rhodesia Labour Department relates very much more shortly and more concisely than I can exactly the same troubles as we have ourselves to-day in connexion with African labour: "Dismissal is no deterrent"—(that is fear of the sack)—"since work is plentiful and with little on which to spend earnings and with money increasingly plentiful on this account, there is no great demand for paid employment. In these circumstances increased wages cannot help the position until such increases are so great as to result in a far less wasteful use of labour. Employers to-day use, in many cases, at least double the number required for the work and with low wages they can afford it. It is impossible to persuade employers to raise wages to a much higher figure and to reduce the numbers in employment until they can see some hope of obtaining more work from the highly paid man than they are getting at present. Until the buying power of money is restored any guarantee of improved output of work will be impossible". That is Northern Rhodesia.

In South Africa resolutions by the Natal and Transvaal Farmers' Associations have been tabled as might have been tabled in this colony: The shortage of farm labour, which prevents farmers responding 100 per cent to the Government's appeal for further efforts to produce enough food for the people of the Union, will be the major subject of discussion at the Annual Congress of the South African Agricultural Union to be held at Bloemfontein shortly. Resolutions dealing with this question have been tabled by Natal, the Transvaal and the Free State. The Transvaal resolution points out that there are thousands of able-bodied natives in locations, reserves and on company farms who never work and only roam about consuming food, flatly refusing to do anything to improve the food position. It contends that these natives could assist the farmers

at a reasonable wage to be paid in the value of products required for their families—"If the European section of the population only must work to provide the necessary food while other sections refuse to help", adds the resolution, "they will do so at their own price for their products and in no instance at a price to be dictated".

I have quoted the Belgian Congo, Northern Rhodesia, South Africa, to show that the problem of labour is African and not just a matter for Kenya. The upsurge of African political opinion has got to be dealt with and has got to be guided.

To come to more appropriate matters for this debate, I am going to suggest that one of the ways in which the African can be guided, and the only way in the reserves, is through the Administration. I do hope there will be no question on the other side of Council about not approving the increase in that particular vote. I am at heart, and have been for 20 years, an administrative officer, and it is sad to hear criticisms of the Administration and of the lack of confidence in the Administration which is being mentioned on the part of Africans. But it is true, sir. The reason is because the African population has doubled in the last 20 years and has increased in mental capacity ten-fold, and a matter which you could put across as Government policy 20 years ago by saying that "Government says so and so", and the African said "Yes we believe that and will do so and so", cannot be done in that way now. There is a completely different outlook, and we are not getting the measure of confidence in the Administration which is the keynote of African relationship between Government and the Africans and which you could get a long time ago. When I first came here 20 years ago I walked three days from Kitale down to my station on the country and dash out from their station headquarters and come back again, scarcely having time to make contact. Often the Africans do not know what their district commissioner looks like. Pressure of work has brought that about, and lack of staff, but the one matter which has got to be remedied in this country if we are going to avoid real difficulties, major difficulties, of a



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political nature which repercussions on labour and therefore on the whole economy of the country, is a re-establishment of the confidence of the African in the Administration.

One way in which it can be done is by the appointment of African administrative officers and an increase in the Administration staff. What we want people to remember is that in this budget of six million pounds the Administration vote is about £330,000. With the present population estimated at anything over 3,300,000, that means that the cost of the Administration of the country at the moment is 11d. per man per month, and if you can get any better service than you do at the moment for that amount I should like to know where and how. I do not feel quite hot about this! While on that question, I think the whole cost of the budget, this six million pounds and some four million people, ought to be considered. It is outside my immediate purpose, but it does bear a relation to what I have to say later. The present cost of the Government of the colony per head in the present budget is 2/6d. per month. In the United Kingdom with, say, 40 million people the last pre-war budget (without defence expenditure) was 800 millions. Knock off a nought and you get 80 millions for four million people, here it is six millions for four million. To-day they have admittedly far more services in the United Kingdom, but when people talk about the expense of the present budget in Kenya I feel that the hon. Financial Secretary has the right to say, as Warren Hastings did before another legislative assembly, "I am amazed at my own moderation". (Laughter.)

That covers in brief the general outlook, the general philosophy, and what I want to try to do now is to go through some of the approaches.

Action is required on the part of everybody in this colony—Government, employers, and employed! Government has laid down a policy that all must work, and it is the correct policy, and it is a policy which has got to be put across on both sides. In this Council, and through the African leaders to the Africans. There is no people's hope of advancement for the African in social services, education, medical services, or

his general standard of living, unless he himself plays his full part, and it is up to us to help him and to show him how to do it. We do require careful explanation of this through the co-operation of every Government department, and through every employer of labour, and through the African leaders. Unless we get this fact hammered home as it was so ably expressed by the hon. General Manager yesterday, unless we get the fact hammered home that the time is coming when the African has either got to work or starve, we are going to be faced with major political and therefore economic disasters. I feel that the approaches have got to be human—to that extent I agree with the hon. member Archdeacon Beecher—but even the human approach must be "economical" rather than "Ethos", starting with food first, housing second, something to clothe yourself with third, and then you can ask, when you get these points straight, for a response on the part of the African.

Then you can consider your wage policy. What we require are factual investigations into the distribution of wealth in the colony, we require information on the cost of production and wages, and all the other matters which go to make up the human element of man power. We are beginning to make some advance on that basis. I tell you now that 20 years ago the average wage paid to the African labourer was of the order of five or six rupees, then worth Sh. 15 to Sh. 18; that has gone down, it went steadily down to 1929 and fell badly during the slump years, quite rightly, but it has only gone back to about two-thirds of the 1919 level. That, I will say straight away, I do not regard—and I am only expressing an opinion, I have not the factual information—as a fair share in the prosperity which has been enjoyed, particularly by the farming community, over the war years. In fact, of the main up-country districts the average signing on rate is Sh. 10 in respect of two-thirds of those signed on; in other words, 200 or more out of every 300 are signed on at pretty low rates. I am not going to ask for a very much bigger rate for initial signing on because what I am going to say is that wages must go up at a later stage in employment. But it does show, the indications show, quite definitely that there has been

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in the wage rate of the colony only a slight increase up to 1929, a decrease in 1934, and again a slight increase; and that is one of the reasons which has led to the African's reduced output.

There are many reasons, and I will come to some of them later. But there is a feeling, as the hon. member Mr. Mathu said in the Woods report debate, of frustration on the part of the African and a feeling that he has not had a fair share in the prosperity of the country. That feeling may or may not be justified, I can only express a personal opinion when I say I believe it is, but I have not got the facts on which I can pass judgment definitely. Africans have said to me after meetings I have held with them that grandfather, father, and son have all been paid about the same rate, that they see no advantage in working for the European. Any man or boy who can get his ticket marked without doing a day's work for it is regarded as a hero among his community. We have got to check that. It exists, and it has got to be stopped by the help of the employers and the African leaders.

The first thing is this food and the cost of living generally. Much has been made in this debate of the necessity for some relief to the lower paid income groups, and naturally I entirely agree with those sentiments. I have myself examined the reasons for the high cost of living on certain groups of essentials. The essentials are food, housing, and some sort of consumer goods, particularly clothing. Look at the cost of food and compare the cost of living index for this colony with that of other countries. I am going to quote certain figures which are illuminating, especially in regard to the matter of price control. The United Kingdom based on an initial cost of living index of 100 in 1939 has a cost of living (food prices) of 114 to-day. It is an extremely low increase, and the reason is to be found in the food subsidy of 300 million pounds, 47 per cent per annum, about Sh. 12 per head per month, so that the cost of the food subsidy alone in Great Britain is a matter of Sh. 12 a month per head alone, apart from expenditure on administration generally. In Kenya, the cost of living index for food to-day is about 153, in Egypt 223, Palestine 295, Chile 400, and

in China 44,992. (Laughter.) All I can say—that it is hardly my pigeon at all—that if we had not got price control here then God help us!

I think it fair to look at what are the essentials for the lower income groups. I will take the European for a moment. What does he have for breakfast? Paw-paw, locally grown, porridge locally grown, bacon from locally grown pigs, fed upon locally grown cereals; he has locally produced eggs, coffee that is locally grown, tea that is locally grown, sugar, butter, all locally produced, and so on. You can go through the meals of the day, and you will see that the major item in a family budget—food—is a matter of the cost of local production, not of importation, and that is a matter of the cost of primary products, so far as the price of food has risen it is, I suggest, because the price to the producer has risen. I am not going to cavil at that, because in any economy you have got to rely on your major industry, which is agriculture in this colony, to produce the wealth of the colony, but it is a matter which has got to have careful examination, for every time you put up the cost of the basic foods in the colony you are raising the cost of living for the whole of the community, whatever race.

On the clothing side, consumer goods, the cost of living has risen very much more. I have figures for other countries, but I think the only one really interesting to hon. members is the Kenya one. The increase to-day for the cost of clothing is two and a third times what it used to be. That, I say straight away, is a matter on which I hope the hon. Financial Secretary will be able to give some assistance. It has been a point made by the hon. Member for Mombasa and the hon. Member for Nyanza. It is the high cost of clothing which has been one of the major factors in inducing a loss of heart among the African. At a recent meeting with the Provincial Commissioner, Nyanza Province, the Africans in his area said "Why should we work for a whole month for the cost of a shirt or a pair of shorts?" I do feel most strongly with hon. members on the other side who ask for a reduction on certain imports like clothing, that is the way in which assistance can be given to the lower income groups. If any means can



[Mr. Hyde-Clarke] be found to increase the amount of clothing and reduce its cost, you will have gone a good way to meet the lack of incentive which exists among African labour to-day, and you will also help the lower income groups of other communities.

There are two approaches, not in my control at all; that is, some sort of reduction in the cost of the essentials, which means primarily, clothing, and some sort of assistance or consideration when fixing prices to primary producers. Here lies a vicious circle if ever there was one. Every time you increase the price of the African's staple food you put up the cost of living throughout the colony, and when you do that you start on a vicious circle because labour costs more and therefore production costs are put up, so any question of an increase in primary products is a matter which must receive the most careful attention before any change is made.

Your Excellency's Government has accepted the policy that all must work; and it is an absolutely vital one. Your Excellency's officers, I hope, are becoming convinced that it is necessary to implement that policy. The educational authorities, I hope, will realize that their policy has got to be based at least partly on economics and not on pure learning. We have to have investigations into the equitable distribution of the wealth of the colony. We have certainly got to maintain our price control, and any other control which conduces to the reduction in the cost of living, as a means much better than that of raising wages to meet the difference.

I have galloped very rapidly over the labour field, but I have dealt with none of the really immediate problems, for it is impossible to leave this matter without indicating some of the pressing problems, especially that of output. I feel somewhat sore, but perhaps unaturally so, at the friendly attack on the part of the hon. Member for Kiambu when she said I did not know the meaning of the word "work". When I feel sore I turn to Samuel Johnson for solace. The actual quotation is—and I hope this will not be regarded as abuse of privilege—"Sir, a woman's preaching is like a dog standing upon its hinder legs". (Laughter.) "It

is not well done but you are surprised to find it done at all". (Laughter.)

MRS. WATKINS: On a point of personal explanation, is the hon. gentleman referring to me as the old lady dog? (Laughter.)

MR. HYDE CLARKE: Your Excellency, the Mayor's lunch has been responsible for a good deal so far; I shall add to its responsibility by reminding the hon. member that the hon. Member for Kiambu can never be old.

MRS. WATKINS: On a point of further explanation, I think another apology is pending, unless the Press can report loud laughter! (Laughter.)

MR. HYDE CLARKE: This question of output is a problem which is world wide. It is not confined to Africa; it is not even confined to Kenya. We have got some ideas of the approach and some ideas of what we are going to do. I do not think any territory knows really what the answer is, but we are trying in the Labour Department to produce standard tasks—a most difficult problem—and a problem in which we do not get the full co-operation of the employing community. The progressive decrease in the tasks set during the war, lack of supervision and competition among employers for labour, are some of the main causes of the demoralization of African labour to-day. We are trying to produce standard tasks. I do agree with the hon. Member for Kiambu that tasks must be related to wages, but the point I made on that was that they cannot always be related, and I gave you the instance of an office boy living under urban conditions who cannot carry two files if there is only one to carry. We are trying by means of propaganda, by means of holding *barazas* with the Africans, we are trying by every means to improve his output, and we are trying by every means in our power to obtain better conditions, because he does feel sore at the moment.

I believe the first approach is through what we have been trying to do recently, that is to produce a balanced diet for him, and that seems to me purely a question of economics. The second approach is better housing, and I agree with many remarks made on the opposite side that housing has got to be economic and not so much stress put on permanent

[Mr. Hyde-Clarke].

The African does not like a house with a cement floor and a tin roof; he gets pneumonia, or his child gets hurt if it falls on to the floor, and it is cold in winter and hot in summer under a tin roof. What I myself try and preach to the employing community is to go about the improvement of African housing slowly. First of all a decent wall, with possibly a murrum floor, and a change over to an asphalt floor in due course; a start with a grass roof and a change over to tiles or shingles when possible. Those are the constructive lines on which we are trying to meet this question of output.

One of the important points over consumer goods is that there is a great deal of money in the reserves from all sorts of sources. I know, from the point of view of demobilization, that the average amount of money paid on discharge to an African ex-soldier is £50. With 100,000 soldiers that means that five million pounds has gone into the reserves from that one source alone. That means an average of four or five years' wages in a man's pocket at one time. How can you expect him or anybody else with all that cash on him to come out to work for Sh. 8, Sh. 9 or Sh. 12 a month? There has, therefore, got to be some outlet for that money and that outlet has got to be more consumer goods.

Another agrarian and fiscal matter is the question of the squatters. I am not going to talk about resident labour this morning. There will be another opportunity at a later date, but hon. members will wish to know that an *ad hoc* committee under the chairmanship of the Member for Agriculture is going to sit later this month to try and produce an answer. The reason why I mention it now is because from their land holdings alone squatters have earned something like £1,500,000 a year. They spent most of it themselves, but anything you do about producer prices affects the squatter. Put up the price of maize, and the maize he sells goes up in price and he works less. Take, for instance, the high price of potatoes—that is the chief source of income of a large proportion of the squatters—you will get less work because he can get his needs by another method.

Coming now to some of the questions which have been asked, I can only answer

part of the Wakamba question, that is in so far as man power is concerned. I will not attempt to answer regarding the policy of subsidized rations. The Wakamba tribe numbers about a quarter of a million, of which 44,000 people are able-bodied males. Of those you have got 13,000-odd in civil employment, 1,000 in the military, nearly all of whom are re-enlistments (we had about 10,000 soldiers from that tribe), and you have 2,000-odd working in the reserve at the moment. That brings the percentage out at work up to about 38 per cent, or nearly 40 per cent. There is a current theory in African sociology that it is wrong for more than about 12 per cent or 15 per cent of the able-bodied males to go out of a reserve. Here the figure is about 35 per cent, but it could not be regarded as wrong here in comparison with other territories, because the men are mostly on short-term employments.

On the question of a certain firm, Sukari, Ltd., being unable to obtain labour, all I will say on that is to invite anybody who is vitally concerned to look at the conditions of employment offered by the employer. I will not say more than that. (Laughter.)

I think we have covered a good deal of the labour ground now and, however much I have left out, I will bring my part of it to a close. We have to remember that, in regard to humanity as a whole, mankind has existed for a very long time, but civilization as we know it is supposed to have lasted for 2 per cent only of the entire life of mankind; and that the African for the last 50 years has only known what civilization means for 2 per cent of our 2 per cent, which is a matter which must be taken into consideration, and people must have a sense of proportion in considering it. The African was under an entirely different philosophy before we came—wilder and various other controls—and in the first 20 years after we came here he was obviously contented, but he was able to keep pace with us because life in the first 25 years of this country was slow; people walked; people got among the Africans and talked with them. Life in the last 25 years has speeded up to such an extent that the approach here 20 years ago seems to have broken down and we have got to re-establish that

[Mr. Hyde-Clarke] approach. To put it in perhaps a vulgarized version, I think we can sum up that particular aspect by saying that before we came the African was bewitched; later he was bewildered; and unless we can find the answer to some of these problems he is now going to be begared. (Laughter.)

The last point I want to make is on the question of social security. I think there is some danger in the theory of social security, unless it is fully understood that social security can only be earned by every individual working. Social security does not mean security of certain people through the sweat of the other peoples' brows, which I think is a likely outlook on the part of some of the Africans themselves, and I particularly appeal to the African representatives and their leaders generally to make these points. Social security must be earned, there is no magic carpet to the full enjoyment of security, need is the compelling master, and unless the security is earned and the earning is shared by everybody, it should not be an aim on anybody's part to obtain it without making some general contribution.

I have now dealt extremely inadequately I fear—with the whole field of labour, but there is a slight sting in the tail—I hope the Anastasia has been sufficient! The Labour Department vote is about £34,000 a year. It deals with about 300,000 labourers and 40,000 squatters. That again is a cost of about 14s. per person per month, and if hon. members on the other side of Council are satisfied with that, I am not asking for more, but I am asking for more on one point alone, and that is in the extraordinary votes connected with squatters and labour control. I am extremely unhappy about the labour control position and I regard it as most unfortunate that my department has had to come into it. I regard it as essentially a matter for the proper utilization of the soil and not as a matter for the proper utilization of man power, and I hope that in due course some other solution will be found which will not place that responsibility on this department. It has had a great deal to do with the loss of confidence in the Labour Department on the part of the African to-day. If I come, after con-

sultation with the Member for Labour and the hon. Financial Secretary, to the Standing Finance Committee with certain proposals, I hope I shall get the support of members. In the meantime we are doing our best to control this extremely difficult problem.

I beg to support the motion. (Applause.)

DR. RANA: Your Excellency, I start first of all by joining those few who have complimented the Financial Secretary for what he has done in a very straight forward, clean and clear way, by public meetings, by speeches and also in the Press, to explain the budget in detail. I hope my remarks will not be misunderstood and taken to mean that I am wholeheartedly in agreement with what the Government has put before this Council. I will come to that point later on. I openly say at the outset that my sympathy is more with this side of Council, and more particularly with the hon. members on my right. I hope it will not be a surprise and shock to them that I as an Indian member agree with them, but whatever I say I will explain to Your Excellency and to the Council what are my reasons. I am not going to support them in everything they have said, more particularly regarding income-tax.

I do not intend to bore this Council with the details of this budget. I have spent this morning the hon. member Mr. Pritam with pages of figures, which I am sure hon. members will have the pleasure of listening to in due course, and I leave that delicate job to him, for he is better qualified than I am! I will confine myself to general remarks regarding revenue and expenditure, and bring to Your Excellency's notice the views of the people I have the honour to represent.

First of all, I am not sure who is responsible, but in my opinion it is the lead which Your Excellency from the very beginning in this country has given for co-operation and toleration among all the races. I am extremely happy to say that, during the short period I have been on this Council, this is the first time that while discussing this first post-war budget no racial questions have been raised, which augurs well for the future development of this country (hear, hear), and I hope and pray that the same sort of atmosphere and feeling will be maintained always in this Council. After

[Dr. Rana] reading the various speeches, which I have read very carefully, of the elected members on this side of Council, I was hesitating whether I should really speak out what my feelings are on the future of this country, particularly knowing the mighty power which the opposite side of this Council has; but I am very grateful to the hon. member Archdeacon Beecher, who very kindly has released me from many things which I had to say. I congratulate him for a very outspoken speech, though he has been criticized for calling the Development Report the yellow peril or the black peril—I forget which! I honestly think that if this country is to develop and become a part of the British Empire and a home for the people who have made this country their home, we must progress according to the times.

I support the hon. member in all he said regarding surcharges and excise duties on tea, sugar and so on. I should like to tell Your Excellency and hon. members on my right that tea and sugar and very precious things to the African and Asian people. They are of great nutritive value. I think Government would be doing a great injustice to people who are very fond of at least filling their stomach with a cup of tea or having something sweet. I know that most of the European races do not like sweet things, particularly the British people. Some people do not appear to agree with me, but I exclude the children, Your Excellency! (Laughter.)

Coming to the question of revenue and expenditure in general terms, we cannot expect any progress in this country if the people who are in a position to pay hesitate to pay. Nobody, whatever race he belongs to, wants to pay income tax. I myself hesitate to take five minutes before I write out a cheque to the Accountant General when I have to pay. Now there is a word in our language which expresses our attitude to the Government; that is, "mabap", which means they are like parents. Government is the parent and the subject race—it does not matter what particular type we belong to—are the children, and the Government has to depend upon the children to provide the money which is wanted. Under the circumstances I must say that the central administration of this

Government is extremely expensive and high, and the time has come when we should consider which special departments require overhauling, and see that each one is pulling its weight.

In this country we have got mixed races and different standards, we might call it, of civilization, development or progress; but at the same time we have to employ people according to the best of their ability, irrespective of race. But I am sorry to say that most of the services—I do not know who is responsible, whether it is the hon. members on my right or whether it is the policy of the Colonial Office—are being Europeanized. We are not an industrial country. We all want great superstructures, huge houses to live in and servants, but at the same time prudence demands that we keep within our income. On that question I

support the hon. members on this side of Council, who rightly ask that before anything is done for the future this matter must be thoroughly gone into, and I hope it will be the task of those members on the Standing Finance Committee to see how much we should save in expenditure. On the question of revenue, it is a first essential to find out the total of necessary expenditure and then raise the revenue accordingly. If they think so much expenditure is essential, then it is the moral duty of all races according to their capacity to see that money is provided. Here I take the opportunity of congratulating Your Excellency on the very nice and good analysis you made regarding income tax in the speech to which you replied to the President of the Associated Chambers of Commerce. It does not care for that, but it is really a true picture. If we want our country to go forward, it is only fair that we all, and particularly the Government which is responsible for running the country, should see that all the races, according to their merits, should be given a chance to serve the Government in various departments and try to save expenditure. If the policy is to employ only Europeans from the highest to the lowest grades, I feel that the country will get into a very tight corner sooner or later.

With these few words I join in the hope that the Standing Finance Committee will see first that they are satisfied on the expenditure side and then go to

[Dr. Rana] the revenue side and decide whether we have to pay Sh. 1 or Sh. 2 in the £. I must also say in general terms that if the proper advice of people is taken, I do not want to specify, but on the coast I am in close touch with some Government departments, and there is a fairly good amount of waste of man power. For instance, I will give on department which I know personally, the Medical Department. We are going to have nine new medical officers. I put it to Your Excellency that in this country of mixed races could not Government make use of Asian medical officers who are obtainable at reasonable salaries and who at the same time from the beginning of the development of the country have contributed to the health side, even in the native reserves and other areas? Even if the hon. members on my right do not want to see Indian doctors in the Highlands, there is a very big scope for them all over the country. The same thing applies to veterinary officers. There are three Asian officers, one of whom has been 40 years in the country. They have all been segregated in the coast areas. It is perfectly right to ask for European officers in the European areas, but I put it to Your Excellency that every opportunity should be given to Asian youths to take up this work.

As I said in the beginning, there have been enough post mortems regarding various departments. I do not want to waste the time of this Council except to take up some of the main things which I want to bring to the notice of the Standing Finance Committee on behalf of the constituency which I have the honour to represent. That is, the coast. At the outset I will say that on the coast all races, including Europeans, Asians, Arabs and natives, are very much discouraged and disappointed with the treatment we have been getting for years and years from Government regarding development. We have two hon. members, one for the Coast and one for Mombasa, and they have done very useful work. I am not putting any reflection on them, but they are both members of the Standing Finance Committee and, unfortunately, due to the heat, both are now permanently residing in the Highlands. (Laughter.) I thank the hon. Member for the Coast, who is liked by all of us, for his frank

and open speeches, but we rarely see him on the coast—I think he is busy growing potatoes. (Laughter.) Your Excellency knows of the several things which the Arab community, and even the Indian community, used to rely upon his assistance in, even in the Standing Finance Committee, where he is the representative of the Arabs, and I hope he will not hesitate in putting up their view points.

I brought up two points last year. One was regarding the scarcity of the water supply in the Mariakani district. The hon. Director of Public Works has been telling me all the year that there is no machinery available, and still the people there are without water. It is a very vital question, for it is not only water for the human being but for the cattle, and I would request D.A.R.A. to give first priority as far as drinking water is concerned to this district. There are other places also. Further, I put a special question to Government when we had an unfortunate epidemic of relapsing fever, and at this stage I should like to congratulate the hon. Director of Medical Services, whose department took prompt action and, thank God, that epidemic was quickly brought under control. At the same time, I would request him to fit up a permanent dispensary in the Mariakani town, as it is very essential for that area, and Your Excellency knows more than I do that most of the African population on the coast are full of diseases and are constitutionally weaker than the natives up country.

I would in particular tell the hon. Member for Mombasa that if he wants to attract tourists Mombasa and the coast must be developed along with the Highlands. If Mombasa town is left as it is to-day, I am afraid that tourists before they leave the ship will say they have had enough of this country and will go back. Under these circumstances I will first of all take the opportunity to impress on the hon. Director of Public Works and more particularly on the chairman of D.A.R.A. that they should see about the roads. Your Excellency knows and most members know that three or four times a year notices are issued by the Public Works Department that all roads are closed. This has been going on year after year. Imagine what is the condition of the poor devil living around the coast. I have been given to understand that

[Dr. Rana] when the rainy season starts in the Tana river area and Kaloleni, where there are vast banana plantations, the roads are so bad that the produce of these poor people cannot be brought to town. We have the same thing towards the south of Mombasa, and in the sixteen years I have been here the Chamber of Commerce have been pressing for the Tanga-Mombasa road to be made up, but nothing has been done.

I submit that these are most essential things, and I hope hon. members who have more power to persuade the officials on the other side that this is also part of Kenya, and a reasonable share of revenue should be spent on the development of the coast. At one time the late Sir Ali bin Salim actually said that the way the coast had been neglected the time had come when we should approach His Majesty's Government and ask them to separate it from the Highlands, and so on. I think that does show the real feeling of the people on this question of the Public Works Department and the roads, and I hope it will be taken into the earliest possible consideration.

I shall have a chance of speaking on this matter when the Railway budget is produced, but I would say now that there is very great inconvenience caused to all races when ships dock at the Kilindini wharf in Mombasa during the hot months, as there is no passenger shed. I submit that there should be a passenger shed erected alongside which these ships could berth, instead of putting passengers into these hot and dusty godowns. It applies to all races and more particularly to those Asian purdah ladies who have to stand there for four or six hours in that hot stuffy place until the luggage and customs ceremonies are over. I was told the other day that a very big ship from England brought a fairly large number of European passengers, settlers and officials, and they were complaining bitterly about the heat and had to wait for four or five hours. I am not an expert on buildings, but I do submit that some convenience for the passengers should be made available as soon as possible.

Now, the medical side. I spoke last year in detail and will not repeat it, but I am very sorry that the question of the combined hospital scheme has been given

up for the coast and Mombasa, for I submit that the hospital facilities for all the races are absolutely deplorable. I know that during the war what hardships many Asian sailors had to undergo due to lack of accommodation. Your Excellency will agree, and hon. members, that they did very valuable work during the war on these merchant ships, but when they came to Mombasa, due to lack of accommodation, there was no room for them in hospital, and the same with Europeans. I suggest to whoever is to take future responsibility, whether it be the Hospital Authority or someone else, that the time has come when Government must give hospital accommodation for all races in the first place.

Coming to the education side, it is not my intention to go into detail, because the hon. member Mr. Nathoo had a lot to say, but there are two or three points that I want to emphasize and to bring to the notice of Government, who are responsible for looking after the education of the people. One is that I said last year that the time has come when the Medical Department should have a school medical service for all races. I know that in Mombasa, if you asked my opinion, 60 per cent of the Asian children—I do not know about the natives—are in No. 2 or No. 3 category, simply because first of all there are no sports facilities. During the war the sports fields were put at the disposal of the naval and military authorities, and it is due to the kindness of those who are in the habit of black-marketing that from the nutritional point of view the children have suffered. Thirdly, there is no medical service. I have already said we have a number of Asian medical men in Mombasa, and I submit that if Government is not in a position to have a special school medical service it is high time that a small remuneration local medical officers for the schools were appointed so that parents can know what diseases their children are suffering from. It is Your Excellency's desire to see the welfare of all races and communities, and the time is coming when we should look at their physical development as well. The position of the world is very shaky and we do not realize how lucky we are in East Africa and Kenya. In the last year I have not lost a quarter of an inch off my size (laughter), but the time will come

[Dr. Rana]

when this country may have to stand in defence of the Empire, where the help of all the races will be required, and if you have a 70 per cent defective population I am sure it will be no protection to anybody. It does not matter which part of the country, whether the Highlands or Kikale or whatever point one may be residing, I submit that this medical service should be arranged and should be a first class service. I am not thinking of Indians only, but the service should be at Mombasa, Kisumu, Nakuru, Nairobi, for all races at a very low cost, so that parents should know what is wrong with their children, and sports facilities should be provided.

Regarding female education, we do not want our girls to be typists only, and so on, but we want them to be good housewives, and hence it is very necessary to make domestic science a compulsory subject. What I mean is that the system of education is very defective and the time has come when we should give them some vocational training and put them in their proper line, otherwise the time will come when, if the present system of education is persisted in, we shall get numbers of agitators among all races going about and agitating all over the country. (Hear, hear.) This wave of strikes which is facing the whole world to-day is mostly due to these semi-educated people of all races—it does not occur among properly educated people. I will leave it at that, I think I said enough last year regarding unqualified teachers.

Another item I want to bring to Your Excellency's notice is the question of trading licences. There is a tremendous amount of black marketing going on. People are selling trading licences for £200 or £300. Uganda and Tanganyika have removed the restrictions on the granting of trading licences. Whether people want to trade legitimately or illegitimately, it is their business—the police are there and the magistrates are always waiting for them! We are now 1½ years from the end of the war, and if a legitimate chance is not given to people to Under those circumstances I request that this question of trading licences should be tackled as soon as possible. That is as far as controls are concerned. I think

enough has been said about Price Control. I am fed up with the whole lot of them! (Laughter.)

Coming to Asian terms of service, I know that the Asian Civil Servants have very, very faithfully carried out their work, and the time has come when Government must either dismiss the whole lot of them or tell them what their future is. There is very great discontent among them, including the Railway staff, and I submit that this is a matter which requires very urgent care. To say that this commission or that commission will discuss it is no use. We will always have commissions until doomsday, but humah beings cannot wait. People who are suffering cannot wait, and I submit that the time has come when Government should tackle the whole problem and let everyone know what his future is going to be.

I am now coming to my final remarks, and I submit with all sincerity to hon. members—European, Asian and African—that we all have to live in this country and each one must do his work and do his duty for the future development of the country. I admit that during the war the standard of work, especially in the clerical line, has fallen very low, and I submit that a reasonable chance should be afforded to everyone, though it may be hard to find honest people, because honesty has always been a very scarce commodity in the world.

Coming to the question of D.A.R.A., first of all I agree with the hon. Member for Nairobi South about the physical endurance of the Chairman, and to the hon. General Manager I would say most sincerely that I believe we do want development, we do want the country to progress, and I heartily congratulate all members of the Committee on a very fine report. The Committee has produced their plan, and it is up to hon. members and the Government to decide what parts of it are essential. I wholeheartedly support my hon. friend Archdeacon Beecher regarding these "eternity" buildings which have been put up in the past. The world is changing, and I submit that in order to cut down expenses we must not go in for these elaborate and huge building which one sees throughout the country, which are built to last forever. We do not know whether after 30 years

[Dr. Rana]

we may be living between the heaven and the earth. (Laughter.) Also the standard of living of all races is rising, whether anybody likes it or not. In these circumstances, to put up buildings which this country is not in a position to afford is, I think, a perfect waste of money. I submit that we want our land to be developed, our water resources and our roads to be developed, as well as social amenities, according to our capacity to pay. With those ideas I most heartily congratulate the Development Committee.

I think I have said all I have to say, but before I sit down I would again express my appreciation of the atmosphere in this Council which has been completely free from racial bickering, and I hope that atmosphere will always be maintained in this Council. I can assure you that we Asians are not all black marketers, nor are we all thieves. There are some decent people among us, and we are willing to co-operate with those who really want co-operation for the good of the country. (Applause.)

I beg to support the motion.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Tuesday, 26th November, 1946.

Tuesday, 26th November, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 26th November, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

Absent: Hon. Arab Elected Member.  
His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 22nd November, 1946, were confirmed.

#### PAPERS LAID

The following papers were laid on the table:—

By Mr. FOSTER SUTTON:

Police Department Annual Report, 1945.

By Mr. ROBBINS:

Lands, Mines and Surveys Annual Report, 1945.

By Mr. LINDSAY:

Prisons Department Annual Report, 1945; Printing and Stationery Department Annual Report, 1945.

By Mr. MUNDY:

Statement containing the information asked by the hon. Member for Ukamba in Question No. 77.

#### ORAL ANSWERS TO QUESTIONS

NO. 76—INCOME TAX PAYMENTS

MR. PATEL:

Will the Government please state:—

(i) the total income tax paid by the members of the European Civil Service during the last five years;

(ii) the total income tax paid by the European Railway employees during the last five years;

(iii) the total income tax paid by private European employees during the last five years;

(iv) the total income tax paid by the members of the Asian Civil Service during the last five years;

(v) the total income tax paid by the Asian Railway employees during the last five years;

(Mr. Patel)

(iii) The total income tax paid by private Asian employees during the last five years?

(iv) If the Commissioner of Income Tax considers that there is any evasion of payment of Income tax by any of the said six classes of people?

MR. MUSA: It is not practicable, at the present time, to extract particulars of the tax paid by the groups of persons included in the question, but details of the amount of tax assessed for each of the years of assessment from 1941 to 1945 are available in respect of Government and Railway employees only. They are as follows:

Employees

Civil Service: £22,000.

K.C.R. & H.: 60,000.

Other

Civil Service: £100.

K.C.R. & H.: 500.

The answer to the last part of the question is in the affirmative.

#### NO. 72—MOTOR MATERIALS

Motor Jokes

Will Government please say (a) dates showing the numbers of car motor cars and 100 cycles that have been in use in Kenya from 1927 till 1945 inclusive?

MR. MUSA: A statement showing the number of motor cars, 100cc and other vehicles registered as being in use in Kenya from 1927 to 1933 and from 1942 to 1945 was laid on the table this morning. No statistics are available for the years 1934 to 1941 or for 1939 to 1942.

THE NUMBER OF MOTOR CARS, 100 CC AND OTHER VEHICLES REGISTERED AS BEING IN USE IN KENYA

#### NO. 79—BUILDING MATERIALS

ARCHDEACON BEECHER:

Will Government please state what steps have been taken to secure a very considerable increase in the amount of building materials being imported into this country, especially those needed by Africans for the erection of their own houses? In particular, will Government please indicate the present position with regard to the importation of e.g.1. sheets and their allocation for distribution on arrival?

MR. TROUGHTON: The question of the supply of building materials has been the subject of continual representations to overseas supplying countries for many months and the latest telegram received from the Secretary of State has emphasized that the supply position of iron and steel is extremely serious and that there is little likelihood of any improvement for some time to come.

There are 750 outstanding applications for varying quantities of galvanized corrugated iron sheets, principally from farmers, who require them for machinery and grain stores, and from merchants for the manufacture of water tanks. Supplies as they arrive are allocated by the Metals and Cement Controller on a priority basis, farmers' and merchants' requirements being given prior consideration.

ARCHDEACON BEECHER: Arising out of the reply, will Government consider giving high priority to African requirements in the matter of corrugated iron sheets?

MR. TROUGHTON: In answer to that, the points adopted by the Controller is to consider all applications on their merits, and I am satisfied that African requirements are fully considered.

#### REVENUE SURPLUS IN EXCESS IN KENYA

	1942	1943	1944	1945	1946	1947	1948	1949	1950
Total Revenue	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Expenditure	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Surplus	0	0	0	0	0	0	0	0	0

#### NO. 83—ELECTRICAL DEVELOPMENT

MR. VASEY:

Can Government state when the report of the team of electrical and civil engineers appointed to inquire into the possibilities of electrical development will be tabled and published?

MR. TROUGHTON: No, sir. The question of publication of the report is a matter for decision by the three East African Governments concerned, after sufficient copies of the report have been received to enable it to be considered.

MR. VASEY: Arising out of that reply, has the report yet been received?

MR. TROUGHTON: The answer is that one or two advance copies have been received, but the bulk of the printed copies have not yet so far as I know been dispatched from London.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

The debate was resumed.

MR. TRENCH: Your Excellency, when the hon. member of this motion stated that (his budget was to be a prototype of future budgets he must have had that agile tongue of his in his cheek, where he must have found the greatest difficulty in keeping it, because he could not believe for one moment that the taxpayers of this country would accept such a proposition. And I support the previous speakers when they reject the motion, should the Government endeavour to force the issue without withdrawing such a statement. Further, I should like to point out that it is essential that an economic survey should be held, in order that we may find out as quickly as possible the taxable capacity of this country and also the question of the incidence of taxation.

Before I get on to the details of the budget, I want to say one or two things about the Estimates. It seems to be a growing habit, if I may say so, to take advantage of the present world position in the last year or two to grossly underestimate the revenue that is likely to be received. In 1943, in 1944, in 1945, and in 1946, the Financial Secretary of this country estimated a surplus of £186,000. The actual surplus revenue is at the

moment, including the estimate for 1946, £845,000, and I would not be surprised from the information I have if it did not reach the million mark. We also know that there are hidden reserves. I think that is a perfectly correct statement. We know that income tax assessments are greatly in arrear, and I do not think I am far wrong when I say that the estimate for these assessments—because I think that these financial gentlemen are all tarred with the same brush—is also below the mark and will reach a million pounds. I am also sorry to say that it looks as if the General Manager of the Railways is also going to join that happy throng, from what the hon. Member for the Coast said the other day. I say that is a most disturbing situation, and a situation that the country will not tolerate when you talk about maintaining taxation at its present level. I would support most strongly that Government give an answer to the question asked by the hon. Member for Mombasa of the Commissioner of Customs about the estimate he put in through the hon. Financial Secretary of the customs and excise estimates for this coming year.

I now come to the Administration. Last year I dropped a gentle hint that I hoped you, sir, would appoint the best man you could find—I called them top-notchers in your Administration—pointing out that if you were really going to achieve something worth while, in the native reserves especially, top-notchers you must have. During the year, I have travelled round the country, I have been into the Wakamba reserve and I have heard a good deal about the administration of that reserve, and I had hoped that some slight attention would have been taken of what I said. I think I am right in saying that the position to-day, as far as the administration in Wakamba is concerned, has, if anything, deteriorated. I am absolutely convinced that the first thing we have got to do, having approved of the plans for soil conservation as far as the Wakamba reserve is concerned, is quite definitely to put the best men we can find in this Colony into the administration of that reserve. First of all, I should like to see a man of the calibre, if I may mention him, of the hon. member Sir Reginald Robins. A man of that calibre I should like to see on the spot in the reserve, at the head

[Mr. Trench] of things. I did not say him; I said a man of his calibre, and we all know what his calibre is.

Then we must have the best Provincial Commissioner that we can find in this country; also the best district officers we can find, the best agricultural officers, and the best of all other ranks should be picked from the whole of the administration of the colony and put into that reserve in order that we may really do something. You know as well as I do, that some men have a way of getting on with the African; others, however hard they try, whatever they do, cannot get on and make good in their various spheres of administration. No matter what plans or what money we propose to put into that reserve, if we have not got the best administrative officers that we can find, then I say that we are going to make no headway whatsoever worth while in that reserve. Having said that, I shall probably find next year that nothing has been done. However, I hope, sir, that you will think about it.

Now I am going to have something to say about the famine relief of £80,000. We all know that after the last war the Jole in England was given out freely, and I think it is generally admitted that the pay-out as it was done had a demoralizing effect on the manhood of Britain. That splendid country, Eire, did not follow the example of England. De Valera, with all due respect to him—and I am not a great follower of him at all, but in this respect I think there is a lot to be said for him—when unemployment was rife in Southern Ireland, said: "If you want the dole or you want to live, you have got to work." He put them on to national roads, and thereby maintained their self-respect and avoided the demoralizing effect of standing round street corners, leaning against lamp-posts and so on—quite a familiar sight not only in Ireland, but elsewhere at that time. So I would say in regard to this £80,000 famine relief that, while you may have to give famine relief to a certain extent, nevertheless let us have something on the other side for it.

I know what your answer is going to be. When I say that the Wakamba should get down and do a job of work for the

famine relief—they are getting, you will say, I expect—possibly you have something else up your sleeve—that there is no supervision. I cannot accept that for one moment in present day circumstances. It is possible now to get staff. It is possible, I believe, to pick out some extremely good ex-army askaris—n.c.o.'s of a first class type who would be only too willing to earn good pay equivalent to what they were getting in the Army; if necessary, and, under the supervision of a European, do a tremendous job in supervision and thus gradually help to retrieve the appalling state of the soil that exists in the Wakamba reserve. I feel quite sure that something can be done in that direction in the areas and locations where famine relief is necessary. We know perfectly well that, because life is so easy in this country, the African's ebb is very low as far as feeling he has any duty to anybody, including himself, is concerned, and I say that all we are doing is to encourage that, to his detriment and to the detriment of the whole country. If we do not take action in that direction I believe that within another year these men of the Wakamba tribe, whom we all know have a very fine record in this war, will be no longer available. They will have lost that sense of discipline and so on that they have learned in the last five or six years, and they, like the rest of the Wakamba tribe, will deteriorate, and we shall not get that very essential asset available in a year's time that we have, I believe, now.

Passing on to another item—the East African Governors' Conference—I see that its estimate of expenditure has doubled, and yet, we are told, when we are discussing other important matters about common services, and so on, that that expenditure will not increase. Well, facts speak for themselves.

Now the Labour Department. The hon. Commissioner for Labour made a most admirable speech the other day. I know he thinks I am going to try and tear it to pieces. I am going to try and tear him a little bit to pieces and also I am going to give him, I hope, a first-class rat on the back at the same time. I had the pleasure of going into his department the other day, and I was very, very greatly impressed at the whole set-up of his department. It literally smelt

[Mr. Trench] which is a strange thing to say of a Government department!—and even more so of discipline. I think he is showing an example to other departments of Government and to every other employer of labour, and I hope farmers, Government officers and everybody else will take a stroll round and see what I believe is a really first-class department of Government. (Hear, hear.) He has been round the country, he has said pleasant things about the farming community, and he has also had the courage to say unpleasant things about the farming community. I hope that he does the same with the African. It is most essential that he should do so. As he went on in his speech, however, I began to fear that, like the hon. member Archdeacon Becher, he had a balloon round his neck and that he was gradually beginning to get his feet off the ground! However, I am glad to say that that in actual fact did not occur, but I must say it was not very far off. (Laughter.)

There are one or two things that I should like to point out to him. He said both here and upcountry that he does not think that farmers have shared their prosperity during the war with the African. He said he does not know all the facts, but that is his feeling. I will tell him a little bit about that "feeling" and give him an idea, broadly speaking of the financial position of the average farmer in the country, and then perhaps his "feeling" will be a little bit more correct. The average farmer in this country in 1939 was struggling to get out of debt, to get rid of his mortgage and so on. It took him the whole of the first two or three years of the war really to free himself of past history, which was practically entirely due to the low prices that he had received for his produce since 1930. During the last couple of years it can rightly be said that the farmer has really been doing well, that his bank balance is on the right side and that he has been able to build up a reserve for bad times. I do not believe that anybody, including those gentlemen who deal with finance, will argue that that is unsound.

I cannot agree with the Labour Commissioner altogether that the farmer has not shared his prosperity with the

African. Wages have gone up to a certain extent, but the thing that defeats us in this country is that when you want to give an African, or you do give an African better pay, it is not very long—especially if he shows a slight sense of responsibility and you increase his pay very much over the basic rate of the average worker (by 50 per cent or 70 per cent, or even 100 per cent)—before he has completely lost his head and you can do nothing with him. I think every farmer, and indeed anybody who employs labour in this country, has made an effort at times to increase the wages of those Africans who show initiative, only to find that when they get beyond a certain point that they become perfectly useless. They are completely depressed and disgusted with the whole proposition. So that the African, to a very great extent, is responsible for the depreciation of his wage rate in the country, and I think that this is an absolute honest fact.

I know that certain farmers to-day are having very, very great difficulty in obtaining labour for harvesting. My own harvest has not come along yet, but I am hoping it will later, but those who are in the middle of the harvest are having an extremely difficult time, and I know of one instance where they are giving extraordinarily good pay; in fact, I would say, and I think even the hon. Labour Commissioner would say, that if anything they are being spilt. That particular gentleman is having the very greatest difficulty in harvesting his crops. They get good food, good pay, and yet he cannot get labour, and I believe that generally speaking in the past he has been able to do so. I am one of those people who believe that it is the duty, I might almost say, of the European farmer of this country and everybody else to employ such African labour as we can, but as time goes on, I am afraid I and other employers of labour in this country are coming rapidly round to the conclusion that, if we are going to survive, we must mechanize up to the hilt and cut down possibly, if the present position continues, our production, in order that we may be able to cope with the very much reduced acreage. That is not the wish I think normally of the employers of labour upcountry, but there again I will say to the African "you

[Mr. Trench] are contributing very, very greatly indeed to your future unemployment."

I know of another case where on a certain farm Africans were offered, after milking in the morning and milking in the evening—I think they were being paid Sh. 14 or Sh. 16 a month—another Sh. 12 if they would do some work during the middle of the day. Not one of them would accept the proposition of being able to earn another Sh. 12 a month. The hon. Labour Commissioner will say they have no goods to buy, that money is no good to them in these particular circumstances. I do not think he has got a case, because those people have relatives in the reserve and they could have spent money on buying more food for their people. I admit that certain of their normal basic foods are controlled, but what I do say is that if they had really wanted to get more food, even if it was a bit more expensive, they could have earned that money and could have got that food. What is more, I believe that if they had carried out that task they would have, in the future, got even more than Sh. 12, but that only illustrates what we have to deal with. Again, I know of cases more or less on the same footing. The pay has been increased by one third, and the net result has been that the labour disappears for a third of the month. I hope the Labour Commissioner will therefore keep his feet on the ground. He is doing an excellent job of work, and I feel that the motto over the entrance to his department is this: "If the job is difficult we will do it now; if it is impossible we will do it a little later". That is what I feel about the Labour Department generally.

Very briefly about the Lands and Mines Department. I would like wholeheartedly to support the hon. Member for Nyanza, and I suppose in the usual formal way when anyone makes a maiden speech, I must make my bow to him and congratulate him. It is essential that we should find other sources of income, and I wholeheartedly support that a geological survey be undertaken at the earliest moment. The next thing I wish to deal with is the Passage Priorities Committee. I am running through the book as these things come along! I know that to-day tourists are arriving in this country while settlers' wives and

even settlers' sweethearts are being left at home and cannot get priority. Now, sir, I say that settlers' wives—and even settlers' sweethearts who, I am sure, will become future wives (laughter)—should be given priority before tourists. Nothing is better for production (laughter) than a happy home!

Now, sir, I wish to deal with Posts and Telegraphs. When I look at this revenue earning department I very naturally wonder about the tar brush, but on going through the estimates and the form of the Postmaster General, I came to the conclusion that he was not a namer. I would like to say that I hope that every effort will be made to get on with the extensions of rural telephones. (Hear, hear) Furthermore, I would like to see greater efficiency displayed over trunk calls. I find I have to get out of bed at an early hour in the morning if I want to get through to my home by a reasonable time. In the evening, generally, it is quite hopeless, taking about two hours. I do believe that the calls could be speeded up very considerably. I would oppose any reduction. I should like to say at this moment, concerning a suggestion made by an hon. member on this side of Council, in the postage rate of 20 cents. Furthermore, I would also oppose, if I understood him right, the suggestion that there should be a reduction in the price of money orders. I cannot see, generally speaking, how that is a very severe burden on the average man in this country. Perhaps some colleague of the hon. member Mr. Nathoo will explain the matter further.

The next item I have is the Public Works Department. I am not going to say anything about that department. I think it has had a fairly rough passage, and I only hope that the facts stated on this side of Council are correct and irrefutable. I would like to support the District Councils' demand for a further 12½ per cent increase in the basic road grant. (Hear, hear.) On this side members say "Hear, hear". I am afraid that the hon. Financial Secretary on the other side will come and say at a later date: "There you are; asking for more money". Well, I believe in this particular instance that we must have more money, but I do suggest that it is possible to economize elsewhere. After all, the basic road grant was made in 1927, and we all know

[Mr. Trench] that conditions of transport, the conditions under which these roads carried the traffic have changed enormously. Then you had slow moving ox transport; to-day you have one and three ton lorries travelling at most terrific speeds with heavy loads—in fact, loads more than they should carry—and yet it is only to-day that it is suggested that the basic road grant should be 50 per cent more with the possibility of that being accepted, only 50 per cent over the basic road grant made 27 years ago. It seems to be completely out of line with present conditions. Furthermore, I am very happy indeed that you, sir, have agreed to appoint a committee to inquire into the question of appointing a Road Authority. (Hear, hear.) I believe the road users of this colony would be prepared to be taxed more on vehicles, would agree to an increased tax on petrol, and so on, on anything connected with the roads, in fact, if they knew that the money was going to be spent on the betterment of the roads, because I think they believe that by doing so they will at least get something back in reduced maintenance costs of their transport.

The next department I come to is the Registrar of Co-operative Societies. I should like a fuller statement from the hon. mover as to what real progress has been made in this department. My information is that this co-operative movement is unfortunately not going down in the way it should with the African producer of this country. The idea seems to be abroad among the African population that the co-operative movement is a co-operative movement of traders to get together to see how much more they can get out of the primary producer, and not the real benefits a co-operative movement can give to the primary producers. I am not at all satisfied with this increased vote. I do not know quite that by doubling the vote it is really going to be of value to the country.

The next department I get to is the Legal Department, and, generally speaking, I suppose I ought to put it in the other order, senior to the Labour Department, but I put it on as high a level as that one in regard to the determination to tackle difficult problems as soon as possible. I would support once

again my hon. friend the Member for Nyanza in all he said about crime. There is a very, very great uneasiness in the country at the trend of events at the present time, and I am quite sure that the hon. Attorney General will do everything he can to rectify the position. Dealing with prisons, I would like to ask a direct question: what is the number of prisoners who escaped during 1946?

Police. We must do everything possible to support the Police Force of this country. That they are a magnificent force is generally agreed, but their terms of service, their housing conditions, the work they have to perform, is simply terrific. I have had it said to me lately that some of the good men we have taken into the Force, if things go on as they are and housing conditions are not fixed up in the near future, and office work is not reduced to within reasonable proportions, they are leaving the Force as soon as possible. I think that is a great pity indeed. We all know of the increase in crime, and unless the terms of service, which I believe will cost approximately a further £20,000 if the committee's report is accepted, are not implemented very soon then we must expect a deterioration in the efficiency of the Force.

Last year, or the year before, I made it clear that I considered that the Police Force should be made more mobile. I am glad to see that some notice was taken of that suggestion, probably not attributed to me, and the police have been made mobile. But I ran up against a curious little thing the other day. If it is true—and I will not vouch for it—and I will put it in the form of a question: having made the Police Force mobile, as the month draws to an end, if the Police Force lorries have travelled 800 miles the European staff in charge may possibly have to pay out of their own pockets if they exceed that mileage. It may not happen, of course, and rude remarks may be said about it, but I have had that information on fairly good authority. I may be wrong, I am prepared to be told I am being stupid, but nevertheless it might as well be cleared up. To do that sort of thing is just frustrating the whole mobility of the Force, and I would ask the hon. Attorney General to explain the position. In the Rift Valley a police station is being



[Mr. Trench] erected, or a police post set up, at Ol Kalou, and I do hope that in the new year some form of transport will be provided. It seems to me quite hopeless these days, with a very much understaffed Police Force, not to supply that station with some form of motor transport.

Now I come to the Registrar General's Department. I have very little to say on that, only I think the head of the department should be congratulated on the fact that, as far as I can see, he is the only one who has got a reduced budget. I hope, while there is probably a very good reason for it, that "he will not be forgotten".

Now, sir, coming to the Income Tax Department. The Income Tax Department, as we all know, is, I believe, very efficiently run by the hon. Commissioner of Inland Revenue, but I do not like the way the trend of events is going at the present time. I believe I am correct in saying that he has said that his total assessments were just over 6,000 during the last previous two years; during this last year they have dropped to a little over 3,000. This is due to leave and to resignations from his staff and various other reasons. If that statement is correct, then I want to know where he is getting to. The hon. member is shaking his head. Well, I am delighted, because we already know that there are hidden reserves, and if he is going to fall behind in his assessments then it seems to me that the day is not far off when Government will come along and say: "This is all we have collected; we must double the income tax". That seems to be the general line of country.

I would like to know whether it would be possible, because I have heard many of the public say that they thoroughly dislike their arrears of income tax being so far behind, to do something to relieve the situation for them. I know one gentleman upcountry who had to pay two years' income tax just like that! Well, I say that that is not fair. I know our financial experts will say: "Oh, you must keep it in reverse". Well, we are not all brought up in the school of finance like these gentlemen, and I should like to suggest, if it is possible, or to ask the hon. Commissioner, if he can make pro-

visional assessments subject to final assessments? Because I do believe that if we are going to go on like this and assessments are going to be in arrears to the extent they are to-day, and may even get worse, some of the taxpayers of the country are going to find themselves in an extraordinarily difficult position when the demands come along, especially when they have to pay two or three years in one fell swoop.

I am going now to get on to the Agricultural Production Board Extraordinary. The same disease is creeping in as far as the primary producer is concerned as we had before the war, which led to the very serious deterioration of the soil in this country. There is a tendency, although not so very long ago the hon. Member for Agriculture and all his other titles assured us on this side of Council that there was no such move, to reduce the prices of primary produce, and he assured us that the screw was not going to be turned, but I suggest that the movement, slight as it is, has already taken place. To-day the Government have given up giving free finance to the primary producers, and if he wants to borrow money on his crop he has got to revert to the pre-war position of borrowing money at interest. I am not quibbling at that. What I am trying to say is that, that the disease is there, and they are starting to reduce the prices to the producer and yet at the same time I defy anybody to say that the costs of production have also declined. Costs of production have gone up in every direction since these prices were given to the producer. They are going sky high again very shortly in the form of increased costs of labour and so on, and the net price to the producer is in actual fact on the decline.

If that disease gets hold of this Government, and of course it will be a disease of the world to a very great extent, the net result of it is going to be that once again you are going to starve the soil of the country, not only in the European Highlands, but in the native reserves, and we know what the position is in that respect. So that I do hope that, while these minimum returns will probably go, that probably fertilizer subsidies will go—because everybody likes the word "subsidy"—nevertheless, I say that the prices of primary products

[Mr. Trench], must be such as to compensate for these various items that are going to be taken off. (Hear, hear.)

I would like to pay tribute to those people who we hardly ever hear about, hardly ever see—those people are the loudest campaigners of East Africa. I have no doubt in my own mind, because I had the pleasure of being carried around two years ago—I was in Turkana and elsewhere—to see what was being done, and I would like to pay tribute to that organization for the splendid work they have without a doubt carried out, and most of us in this country cannot really appreciate what they are up against. (Hear, hear.)

The Veterinary Department. I think that everybody in this country is very much concerned about this department. Many of the cattle herds in the Highlands are reaching a very high state of development and production. There really are some first-class herds in this country, pedigree stock and high grade cattle, that I believe would compare most favourably with herds in England and Scotland—and even Ireland. It is very essential for the stock industry of this country that they should be able to employ the veterinary knowledge and services of first-class veterinary officers. I know that we shall have to pay more. I do not think there is any doubt about that at all, and I believe the farming community are prepared to pay more. We must pay more; the stock is too valuable to us. I do suggest that the terms of service of veterinary officers in the field and throughout the service should also be considered and every effort made one way and another to be able to get first-class veterinarians stationed in the country, especially in the Highlands.

I would like to ask a question: what is being done about the beef measles in the way of research? At the present time inspections are not so rigid as they used to be pre-war, because of the shortage of meat, but nevertheless why should we waste our time? I suggest that every effort must be made at the very earliest opportunity to get on with beef measles research, for the time will come when once again condemnments will start to go up, and we must try and avoid such a position happening.

Now, I would like to get on to Appendix A, I suppose that is right; Post Office Savings Bank. We talk about the shortage of money for development in this country, and what I am going to suggest is something that I shall probably be told just cannot be done. But I do suggest that unless we intend to continue in the old rut as we have done for the last twenty, 40 or 50 years, the sooner we get out of it and use a bit of initiative and have faith in ourselves the better. In 1939 the Post Office Savings Bank had half a million pounds at its disposal. At the end of this year it is, I believe, going to be approximately five millions. That money is invested at home in trust securities. I can see no reason why that money should be invested at home. If we are going to use any initiative, if we are going to have faith in our country, why should we not break out of the rut and utilize that money for the development of this country? The European has money invested in the bank, the Asian has money invested in it, and the African has a very considerable amount invested in it. I do suggest that it is time we broke these bonds of conservatism and utilized that money for the development of this country, and not for the development of England. I suggest that our need is even greater than theirs.

I expect that that has given the hon. Financial Secretary a few notes and something to say!

In the statement of assets and liabilities of this colony there are several items that I am asking for a little information about. There is the item for the Overseas Purchasing Division, £915,963. I would like the hon. Financial Secretary to give us a little chat on what that is—a fireside talk.

There is another item under the same heading: Overseas Purchasing Division, one million pounds. I should also like him to give us a little fire-side chat on that. I am entirely ignorant and it would be interesting to the colony to know about some of these assets or liabilities—I think that is a liability as a matter of fact (laughter), but anyway it will be interesting whichever way it is. (Laughter.)

Now I should like to ask a question about the East African Industrial Management Board. I should like to

[Mr. Trench] know what the policy in regard to winding it up. I understand that an undertaking was given that such institution, or whatever you like to call it, was going to be wound up as soon as possible after the war—I see the hon. member shaking his head!—well, I should like him to tell exactly what is the position because there is considerable concern about it. I entirely agree that the East African Industrial Research Board should be carried on. I believe that is a valuable asset to the country. Talking about secondary industries, I had the honour about three months ago to be one of a delegation to go to Southern Rhodesia, and my colleagues and I were extremely interested in industrial development down there. The one thing that hit us in the face was that in Southern Rhodesia, unfettered to a very great extent except over native affairs in some directions, local initiative was getting on with the job. Take the question of spinning and weaving, and the establishment by the Government down there of a cotton spinning mill and the encouragement of textile mills to weave all sorts of garments for the African population, and also better quality garments for the European community.

In Southern Rhodesia there is a population of approximately 14 million natives. I know they have a market in Northern Rhodesia and they have a market for their goods in Nyasaland, but they have a very small cotton crop and they have no wool crop at all, and yet they got on with this job even in wartime. They have established a cotton spinning industry run by the Government, and I hope that possibly in view of what I said a few months ago, the hon. Financial Secretary may say: "Well, that is where we are going to do some work over the Industrial Management Board." The Government have taken the initiative in that country so that they can have a certain amount of control, but private enterprise there has established itself, and I do suggest that it is about time we in the East African territories stopped talking about it and got on with the job. To-day there are twelve million Africans in the East African territories; we have got all the cotton we can ever hope to spin in these territories; we have got a wool

industry which they have not got, and yet nothing has happened. It has been talked about for the last five years, and to-day we should be in the same position as Southern Rhodesia, where their Africans are getting extraordinarily good value for their money—amazing value. I know the customs duties would have to be altered in some way or other if Government took part in the spinning; they would probably have to charge excise duty on spun cotton in order to compensate for the reduction in imports. That is by the way, but nevertheless we should do it and I do hope that really serious efforts will be made to get on with the job.

Your Excellency, I hope this Council will forgive me if I go back for one second, because I have missed out one important point, partly due to the fact that last night a mosquito—I do not know whether it was Government controlled or not!—nearly blinded me, and that is on this spinning and weaving in Southern Rhodesia. I do believe it would pay this country to send a small industrial and commercial delegation down there to see what is being done.

There is a lot in the assets and liabilities about Maize Control and the Cereals Pool, and I should like a very much more explicit statement about those items from the hon. Financial Secretary. I would also ask him whether the profits from the Cereals Pool are being used to reduce famine relief?

Now the question of taxation. To my mind there is no question but that we must have reduced taxation, both direct and indirect, in this country, so that the lower income classes may receive substantial relief. The hon. Financial Secretary, in his statement about the reductions that had been made in allowances for income tax, stated a figure of £150,000 as being a very considerable concession to the community—presumably the industrial and farming community. I am not going to try and pit my own personal brains against those of the hon. Commissioner of Inland Revenue—of course I am not—but there are other people who have put up these points to me, and I think the country would like a statement from the hon. Commissioner.

Dealing first of all with plant and machinery, when you buy new plant,

[Mr. Trench] you will under the new such as a tractor, you will under the new allowances get a considerable concession, or a considerably increased allowance during the year of purchase, but at the end of a period of, say, five, six or seven years, the difference between the old and the new allowances will be the same. In other words, while you benefit in your original outlay, by the time you sell that machinery after it has been in use for some years and has depreciated in value, the Income Tax Department will have recovered from you the same amount as they would have done under the old allowances, so that in actual fact what they give you to-day they are taking back to-morrow, and I should like the hon. Commissioner to refute that statement. I have an idea of what he is going to say about that particular one, and that is that the farmer and the industrialist are always buying new machinery. I suggest that as far as farming is concerned, with the standard of machinery you buy to-day, the tractors and implements last for six or seven years or more, and therefore the farmer is not buying new machinery every year. Of course, as far as the revenue of the colony is concerned or the allowance that would be given to the taxpayer in general, of course somebody is buying every year, but the average individual is not renewing expensive items of machinery which will really give him that concession continually.

As far as buildings are concerned, you were only allowed an allowance on buildings that housed moving machinery, and we may consider that that comes under the same heading as plant and machinery, but there has been a very decided concession, because buildings now include every farm building or other industrial buildings except shops, offices, hotels, and such like. But if the taxpayer had taken advice in assisting him to look after his income tax affairs, for I suggest that there is very little benefit by the incorporation of these buildings because under the old allowance and depreciation, if you went on repairing that building, for which you get an allowance to-day, you could at the end of a period of years have that building so patched that you would come to the conclusion that it was time

it was pulled down, and if the floor would be of such a structure that it was worth building on again you could put up that new building and charge the cost of it as repairs. To-day you need not build on exactly the same site but any where, on the farm and you can get your allowance, so that in actual fact every taxpayer had been in full knowledge of the interpretation of the income tax laws of this country in actual concessions would be so small the actual, of course, the average farmer is not in full possession of all that, and therefore there is going to be a concession on the part of the Income Tax Department.

That estimate of £150,000 for concessions, that must mean that if we take Sh. 4 in the £, that may be too high or too low, I do not know, that is the example that has been taken, the £150,000 represents a tax at Sh. 4 in the £ at £750,000. The depreciation allowance on buildings entitled to that allowance is 10 per cent in the first year and 2 per cent afterwards. Therefore if the concessions are going to amount to £150,000 on the tax on that basis, the expenditure qualifying for that allowance must be in the region in the first year of 7½ million pounds. I suggest that as you exclude offices, dwelling houses, flats, hotels, and so on, and make an allowance for the old buildings that may come in under this allowance, I suggest that the £150,000 allowance will never reach the taxpayers of this country.

I consider that there should be a reduction of Sh. 1 in the basic rate of income tax on lower incomes. I believe the lower income man in direct taxation is entitled to that. At what level it shall be on the gross income I leave that for the people who will investigate the problem. Then again, in order to relieve the lower income taxpayer, I suggest that in indirect taxation a further allowance should be made of £200,000. We know that since the hon. mover of this motion spoke in this Council a windfall—I do not know whether it is a windfall, all because I imagine that he probably knew it was in the offing, but it is a nice thing to call it a windfall—all it what you like, a windfall of £300,000 has come along, and I do suggest that a further reduction of import duties should be made in order to assist the lower income class.

[Mr. Trench]

In order that we may not live on our hump, I suggest, and support previous speakers, that there should be an increase in the excise duty on sugar. We have got a peculiar position in this country. I do suggest that while we agree that those people who can afford to pay should pay holds good in any community where all the standards of living are the same; in this country it does not hold water 100 per cent, and therefore we must depart to a certain extent from the easiest form of collection of taxation, income tax, and spread the burden more evenly by stepping up some indirect forms of taxation. I do not believe that any honest man can suggest that an increase, we will say, of 3 cents in the excise duty on sugar, totalling £90,000, would be a hardship on the consumers in East Africa. (Hear, hear.) I would suggest again, as other speakers have, a duty on tea. I would further suggest that if a Road Authority is appointed an increase possibly in the petrol tax should take place. Again, in order to make up for these proposed reductions and in order to bring in individuals who do not come up to income tax level, the personal tax should be doubled and should be made an allowance against income tax.

We have heard a great deal from the hon. mover about the impossibility of a graduated tax on the African. We all know that there are many Africans today who are doing extremely well indeed, and they are no doubt getting off under the present laws, and good luck to them. But it is time that that luck did not continue, and I would suggest that, as in some other colonies—I know it is going to be extremely difficult and that is going to be the answer, but it is high time we tackled these difficult problems, especially if the African community want all these services—I suggest that we should have a cattle tax in this country. It will be difficult, but it is done in other colonies. I suggest that the wealthy African who has got cattle and has three or four wives should pay more. Why should he only pay Sh. 16 poll tax, whereas the young African who is only just at an age to go out to work should also pay Sh. 16. I say it is fundamentally wrong and we have got to put that right.

In passing, I deprecate what the hon. member Archdeacon Beecher said about the African and poverty. I suggest that when you use the word poverty, people reading that word would believe that the African to-day, in his reserve in the Highlands, is living under the most appalling, miserable conditions. My mind goes back to the slums in the British Isles, cold, rain, dirt, filth, everything like that. That is my idea of what is meant by poverty. I admit that their soil is poverty stricken, but I cannot agree that the individual African is poverty stricken. He is poor, of course he is poor, because he is primitive, and the desire to gain wealth has not been his lot because of the climate, the sun, the light, the healthy conditions that he is fortunate enough to live under. He is poor in many amenities that he is so anxious to get and which we and he will appreciate, but to say he is poverty stricken I suggest is just as bad as when the hon. member suggested something about slavery when we use the word manpower. (Hear, hear.)

Dealing very, very briefly with D.A.R.A. I hope that the very strictest scrutiny of expenditure will take place and, as far as any moneys for D.A.R.A. which come from the Colonial Development and Welfare Fund, I am not prepared to receive that money free of interest if it is going to be used for the benefit of the European community. We should pay interest. I do not necessarily suggest that the Africans should.

Now, sir, to summarize what I have endeavoured to say once again. I would reiterate that it cannot be accepted on this side of Council as far as the European community is concerned that this is the prototype of future budgets. Secondly, I hope you, sir, will agree to an economic committee being appointed. Thirdly, I stress again that I want to see the Administration in the Wakamba reserve filled first and foremost with the best men that you can get, and at the head of these administrative officers I want to see a man with the calibre of the gentleman I have already mentioned in my speech, who will be responsible to the Executive Council of the colony. You may ask: what are you going to do with the post and the gentleman who holds it, the Chief Native Commissioner? We have got to break

[Mr. Trench]

away, I believe, from red tape, from the rut we have been in for years, and what we should do with him and his post is to leave him in Nairobi in his office and quietly turn the key on him, from the outside, and hand through the hatch to him such things as those files on Kibera village and the right of the Somalis in that area, the Kikuyu in Kisii, and the rest of the country. (Laughter.) But we have got to break away from this frightful administration of red tape and so on.

I want to say quite definitely that in a young country the post must be filled efficiently and I want to see a man who can make decisions, who can go to Executive Council, and who can go to you, sir, and say "This must be done", and it will be done.

Finally, I would say this, I believed, with all due deference to you, sir, and your Government, when you came to this colony two years ago, and people like myself, who have the audacity to claim a little initiative, that you were a "man of action". We have given you two years in which to formulate your plans to get D.A.R.A. going on paper, to get your finance and your staff. Today you are in your third year of governing this colony, and the time for action has come. The time for slashing through red tape has come. The time has come to get on with the job, I say a material job, although the hon. member Archdeacon Beecher does not like the word material. Material action in some ways is the most important thing at the moment to save the soil of the Wakamba. Sir, I demand, the country demands, immediate "material action", no more of this "paper action"—we have had that for years.

I support this motion.

MR. WILKBURN (Postmaster General): Your Excellency, during the course of this debate several questions connected with the Post Office have been brought up, and I propose to deal with those questions under the Service heading rather than in the order in which they were raised.

Telephones. The hon. Member for Mombasa spoke of 450 people waiting for telephones in Mombasa. That is true—there are similar numbers in propo-

tion to the population waiting in the other towns in Kenya and the other territories and pretty well throughout the world. As far as we are concerned, the reason why we are so backward is very largely the lack of provision of funds for development in the 1930's. That, naturally, became worse during the war when materials were not forthcoming. The hon. member quoted a figure given him by a telephone expert saying that the earnings on a capital basis on the Nairobi telephone installations is a matter of 15.5 per cent. That expert left me a copy of his figures and my hon. friend gave me his copy, and I have had my people look through those figures and compare them with figures available in the department. Though the experts do not agree in every detail their differences are more or less cancelled out, and the figure arrived at was a matter of 15.6 per cent. I do not quarrel with those figures, but there is one thing in connexion with both of them. Account was not taken of administrative costs, account was not taken of interest on loans and sinking fund on loans. Nevertheless, there is a future for telephone development in this country, and I think I am right when I say that Government is prepared to forward that development.

My hon. friend also referred to a doctor in Mombasa, who for a matter of months has not been able to get a telephone in his house. He has one in his surgery. It is the policy of my department to give priority to doctors' telephones. Nevertheless, I would just like to give hon. members an idea why we cannot give these telephones now. The telephone needs equipment in the exchange, it needs the telephone in the house or in the office, it needs wires to join that equipment to the telephone. We are short of exchange equipment, we are short of cables under the ground and wires overhead, we are short of telephone instruments. It is roughly the case that you cannot get more than a pint out of a pint bottle. My officers are looking around to see if they cannot squeeze a few drops out of one of the neighbouring pint bottles; to see if they can give this doctor his telephone, and I trust he will get it very soon.

The hon. Member for the Central Area asked for increased trunk telephony

[Mr. Willbourn] facilities. There again, it is a matter of development. Under the D.A.R.A. programme we are proposing to increase the trunk services of the colony. Meanwhile, some little has been done during last year by surrenders from the military. Mombasa-Nairobi now has three trunk services instead of the two they had before; we have got a trunk line Nairobi-Nanyuki which we did not have before; we have a direct trunk Nairobi-Gilgil; we have got three circuits Nairobi-Thika instead of two; we have got a line from Thomson's Falls to Gilgil; from Nairobi-Nakuru there are three, Nairobi-Kisumu one. It is not nearly enough, but that has been done out of what the military have been able to release.

The hon. Member for Rift Valley also referred to the trunk system and asked for better trunk services. I think I have answered his point. Two hon. members have mentioned rural telephones. Of course they need development. There is lots of room for them right throughout, but under the D.A.R.A. programme, when we do go out to provide these telephone services, we must do so on an ordered basis of public exchanges, trunks and rural telephones. They must all progress together, so that the benefit of the one is given to the other.

Posts. The hon. Member for Mombasa called attention to delays in air mail letters coming from the United Kingdom. I am having these mails examined and the postmarks checked against the date of dispatch. In the three or four mails that have been examined so far the bulk of the letters have come through in time. We picked out the odd one that has been delayed in dispatch, and have asked for the return of the covers, and I propose sending them as evidence to the British Post Office and asking them to remove, if possible, the causes of delay.

The hon. Member for Nyanza referred to air mail Empire postage rates and under the revenue head, £200,000 for stamps, asked whether we could expect the reduction in revenue this year, which also appeared last year, and if it was to be an annual recurring event. The answer to that does not lie with me. The Empire countries, dominions and colonies and the United Kingdom are getting

together to evolve a post-war postage rate. It needs fairly careful negotiating. One member presses for one point of view, another member presses another, and it is taking time. My director of traffic, a newly appointed officer, arrived here just a month ago. Before he left England he had a farewell meeting with the Director of Postal Services. He actually raised this particular point and asked whether any progress had been made, and he said: "Progress, yes; but a final decision no". (Laughter.)

The hon. Member for Central Area referred to the air mail fee on money orders sent to India, when no such fee is charged on money orders sent by air to the United Kingdom and South Africa. I think he has made a point, and I am examining that carefully, and it will be adjusted if he proves he has put his finger on something that should not be.

The hon. member Archdeacon Beecher associated too with my hon. friend the Member for Kiambu, complained of the high rates of postage. He went so far as to ask for a reduction from 20 cents to 15 cents for letter postage. I oppose that. I would oppose any tampering with the basic rate structure until we know something more about the actual costs as related to those rates. I would suggest that the 33½ per cent difference between 15 cents and 20 cents does not nearly cover the rise in the costs. If I understood him aright, he referred to the letter that is posted, shall we say, in Nairobi for delivery in Nairobi, and suggested that, as the handling involved in that connection did not amount to much, it should reduce the costs of the other letters that are carried further. I do not think he quite understands the technique of a sorting office. You cannot have somebody sitting waiting at a letter box, waiting for a letter addressed to Nairobi, intercepting it and transferring it to the correct box. It has to go through the ordinary traffic lanes.

I should just like to mention a point behind Rowland Hill's penny post. Rowland Hill's centenary was in 1940, so that we are speaking of a principle that was established nearly 100 years ago. There is nothing magic in the penny post. There is something, however, behind that penny post that was accepted in England 100 years ago and has been accepted as

[Mr. Willbourn] a basic principle for postage in all countries throughout the world for the last 100 years, and that is the fact that it is not the distance that you carry a letter that causes the charge; it is the handling of that letter in the different post offices. The cost of conveyance is negligible; it is the staff charges in handling and the sorting processes through which it has to go that causes the expenditure. With regard to these letters that are posted in one town for delivery in that same town, I have no figures available of recent years, but a few years ago a count was taken and it was found that one letter in 300 is for delivery in the town in which it is posted.

My hon. ven. friend asked for a reduction in the book post rate. He pleaded that the high charge which applies now amounts to a tax on literacy. I have a lot of sympathy with that and I am putting up to the Governments of the East African territories proposals for a substantial reduction in the book post rate.

Savings Bank. My hon. friend the Member for Nyanza asked for some particulars in connexion with the Post Office Savings Bank. The number of accounts rose from 28,000 in 1939 to 79,000 in 1945. Of the 28,000 in 1939-13,000 were African accounts—13 out of 28. In 1945, the number of African accounts was 48,000—48,000 out of 79,000. That was before demobilization had got into its stride. The value of deposits in the bank, as my hon. friend the Member for Rift Valley said, rose from half a million pounds in 1939 to over 4,000,000 by the end of 1945, a figure which will undoubtedly reach £5,000,000 by the end of this year. He made a plea for the investment of those deposits wisely. That is a matter for the Financial Secretary, and I shall leave him to deal with that.

I beg to support the motion.

MR. PRITAM: Your Excellency, perhaps I should draw the attention of members of this Council to the fact that last year I mentioned the abnormal expenses that were incurred on Ziwayi and Taveta. I thought that perhaps this business had come to an end, but unfortunately I again find that £10,000 appears under more or less the same heading, though slightly different. It is

on page 145—Agricultural Department Extraordinary—Construction of Headquarters and Canals, Taveta. Under this head, if I am not mistaken, £1750,000 has been spent. Naturally, we would like to know what return we are likely to get from this investment and who was primarily responsible. I suggested last year that the matter should be looked into and, if I am correct, it was looked into to a certain extent, but somehow the investigations, or the results, have not been made public.

There is another similar scheme, the Masai wheat scheme. I was under the impression that we had seen the last of it last year, but such is not the case; £1,000 has been earmarked for this scheme again. It appears on page 147, Agricultural Production Board Extraordinary. I should like to know what is being done with this money since we are told that the scheme had come more or less to an end, and I should further like to know what was recovered from the salvage of machinery that was used in this concern. Likewise, I should like to hear something about the Naitavasha maize scheme, although it has since come to an end. There was another similar concern, the Njivasha workshop. Perhaps a statement on these subjects will give us some interesting information.

Now I come to the East African Cereals Pool. I do not know what is the exact position, but I do draw the attention of Government to the fact that, since we have given guarantees to farmers, it is only fair that the members of the Cereals Pool should be asked to remain members for the time that the guarantees to the farmers stand good, because knowing as I do something of Tanganyika and all these people, the moment they are able to secure cheap maize they will quit. Although I am sure the matter is receiving attention, I should like an assurance that the East African Cereals Pool will continue right up to the time that the guarantees to farmers cease.

I noticed, that some time ago it was the intention of Government to create a Marketing Board. I do not know how far Government has progressed in the matter, but it is absolutely necessary that, rather than have a multiplicity of Controls, we should have all the Controls engaged on similar work fused to-

[Mr. Pritam]

gether. We have the Maize Control, the Potato Control and Produce Control, yet they are all engaged more or less on similar tasks. If these Controls were fused together, naturally the result would be that we would be able to hold someone responsible for the mistakes that he may make. Towards the commencement of this year we were exporting beans, but by September we found we were short of food. This was controlled by two distinct Controls, and therefore we could not hold anyone responsible for any mistake that may have been made. These two Controls should be under one head. Last year there were potatoes rotting in the country, and at the same time there was famine all round. I suggested to Government that this year they should necessarily issue potatoes instead of potatoes. I am grateful that the Government did accept my suggestion, with the result that they saved potatoes from going to waste, and at the same time they were able to tide over a certain emergency when there was a shortage of food in Tanganyika.

I should like to know the circumstances under which land is leased in forest reserves. On the one hand we see miles and miles of land held by Europeans which is not fully occupied, and at the same time the land is being leased to them under T.O.L. in the forest reserves. It is commonly said that some farmers go to the extent of mining their land. I really wonder, since no one looks after land in the forests, what is being done there. Secondly, I should like to know whether land in forest reserves is given only to those who do not hold large acreages of land and who are doing nothing with it but who simply hold it for speculation purposes.

Last year I drew Your Excellency's attention to the fact that temporary sawmills had been given notice to quit because there were no military orders. I understand that the military have now again placed firm orders for the next three years, and it is only fair that some of the sawmills who did very useful work during the war should be given an opportunity to carry on the work.

Lastly, I wish to draw Your Excellency's attention to the road of access to the Indian settlement at Kibos. I was told last year that something was being

done, but the latest information I have is that nothing has so far been done, with the result that the road is absolutely impassable, while D.A.R.A. funds are being lavishly spent, or are about to be spent, in the Highlands, and it is high time something was done for the tiny Indian settlement at Kibos.

With reference to our Indian Settlement Board, although extensive investigations have been made to find land, not only can no land be found, but the land at Kibigori which was promised to us for three successive years has been withdrawn and now that land is to revert once again to the Veterinary Department. I think that is a very fine performance!

As regards water supplies for certain townships, I think it was some time in the middle of 1944 that Sir Henry Moore happened to be at Rumuri, and it was then that he promised the Indian Association, in reply to a petition, that he would see that water works of some sort were provided. I reminded the Council about this matter last year, and now I understand that there is some sort of priority committee. I do not know when it came into being, but anyway this town stands No. 11 on the list. As for Kakamega, perhaps they are 34th on the list. I should like to know who fixes the priority and what are the particular circumstances under which these priorities are given.

Price Control. I am not fond of these Controls, but there can be no two notions that Price Control in this country has succeeded to a very marked degree, and I support every word the hon. Financial Secretary said about this particular Control. But all the same, I should like the Price Control to restrict its scope. If people have money to burn in buying luxuries they should be allowed to do so. As regards the Building and Metals and Cement Controls, the time has come when these two Controls should be combined and, if possible, the Rent Control. There would not only be a saving of money, but at the same time I think it would be more satisfactory.

Imports Control. Although we do not like this much, I think we shall have to put up with it for a long time. A certain Indian firm applied for permis-

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import fountain pens from the United States of America. I do not quite know what sum of money was involved, but anyway it involved hard currency and as such a licence could not be issued. I think that was quite all right, but my friend, the owner of that firm, informs me that at the very time when his import licence was refused the Imports Control Board issued a licence for 600 big cars from the U.S.A. May I respectfully ask Your Excellency, would it involve hard currency or soft currency? This is being done, too, at a time when we are trying to support our British industrialists. Should I understand that there are no good cars being manufactured in the United Kingdom? If in the dominions and other colonies British cars are preferred to American cars, then why not in this colony? Is it due to big business interests, or are there other interests? I should like to know.

Motor Vehicle Control. I should like to know the number of trucks that particular Control has authorized Africans to buy and at the same time the number of transport licences that that particular Board has issued against the purchase of these lorries. My information is that although Africans have bought lorries in large numbers, they cannot get T.L.B. licences. I should like Government to look into this matter, because if it is wrong to allow Africans to buy trucks and then refuse them transport licences.

In regard to salvage, if Your Excellency took a stroll round the town you would find that instead of one military salvage dump they are all over the town—trucks here, trucks there. It is safer to go through on foot than to go through Nairobi by car. I think something must be done to stop these salvage dumps all over the town, in Government Road especially, and in the street between that street things are not so bad as they are in other parts of the town.

Hospital facilities. Because of the endless delay in providing proper hospital facilities we have to repeat ourselves every year, so that I am only doing my duty now. There is no doubt that the head of the Medical Department is a very fine gentleman, and that he has sympathy for us, but sympathy alone will not cure disease, and so we want hos-

pitals. We have a number of small townships in the Highlands in most of which you will find chiefly Indian business people, but on the township boards or committees you will not find one Indian representative; I do not know for what reason. Why is it so, and what is the basis on which those committees are formed, or is it a haphazard way and anyone can be nominated? Coming to district councils, although an attempt has been made to get an increased basic grant, if it is agreed to well and good, but the condition of the roads in various parts is simply appalling and, if I am not mistaken, a district council clerk, whoever he may be, is generally a man who has no real experience of road making, with the natural result that money is merely wasted. He does not know his job and you cannot get satisfaction, and I wonder what is really aimed at. We are going to have very shortly a Public Works Department division at Nakuru, and we already have one at Kisumu. I do not know if there will be one at Nyeri, and I think it would be money well spent if the Public Works Department could undertake the repair work or, alternatively, give district councils really trained road foremen rather than leave everything to be done by gentlemen who know very little about road making.

A word about telephones. I have already had an answer to what I had in mind. I would, however, suggest to the hon. Postmaster General that he should look into the possibilities of reverting to pre-war working hours, especially at wayside post offices. It would be to the convenience of the settlers and everyone else.

Coming to immigration. This is really a very complicated subject. I have had all sorts of correspondence, but unfortunately with no result, and I also did raise this question in this Council. The trouble is, sir, that some of your very loyal servants may be retiring before very long, Asians, not Europeans, and when they retire from service they will go to India, but if their sons want to come back to this country they are told by the Director of Manpower or his representative that because the parents are not here they cannot enter the country. If the father happens to be dead and the mother in India, the same

[Mr. Pritam] excuse is given. I do not think that this is right. In my humble submission all those who have acquired right of domicile, their sons should be allowed to come to Kenya, for Kenya immigration laws it is doubtful that God grant us everlasting life. This is a matter which requires Your Excellency's attention. There are people who have 20, 30 and 35 years service, and their sons are told they cannot come to Kenya, despite the fact that they were born in the country; to a certain extent they had also schooled in the country, and to complete their education went to India. It is a matter on which I need not say more than that something must be done.

At the same time I would like a definition to be given of "domicile", because no definition has so far been possible for the word "resident". Again, as to inter-territorial movement. If people come from Uganda by steamer they are well received by the immigration authorities at Kisumu, but if they come by train they can go right up to Mombasa and are not molested, and we wonder why visitors are discriminated in this way.

B.O.A.C. staff at Kisumu. I understand that when the flying boat service comes to an end some time towards the end of the year, it is very likely that some of the Asian staff will be absorbed into the East African Airways Corporation, but the trouble is that not all the staff will be absorbed and that some will be retrenched, and that they will be given by way of gratuity one month's pay for every year's completed service. Some of the Asians have completed eleven or twelve years service. Suppose some of the men are taken on by the E.A.A.C. and suppose one or two out of the lot contract some peculiar disease necessitating their being invalided from the service, who will be liable for their gratuity, etc., which they were not paid because of the fact that they were absorbed into the E.A.A.C. while the E.A.A.C. would not pay any gratuity because of the fact that they are under no such obligation. I should like this matter to be kept in view, because Government will certainly incur some sort of liability for these people.

I think enough has already been said about the Asian Civil Service and the

resolutions they have passed in their meetings, and I am sure they have already been forwarded to Your Excellency. It is time something was done, for instead of getting anything material they get all sorts of promises only to be superseded by new ones. On Government's own admission the cost of living has gone up by 65 per cent. Your Excellency, I should like to say to you that these people cannot be expected to subsist on their very meagre salary, and if no serious action has been taken so far it is all due to the influence of political leaders, otherwise they are quite prepared to draw attention in a way that naturally will induce your Government to give attention to their grievances. I trust Government will do something.

Sir, it was very kind of you a little while ago to meet Indians who were opposed to the immigration restrictions and to say that you were moved by sympathy for the locally born Indians, and that you wanted to propose restrictions on immigration in order to better the lot of locally born Indians, but what are the facts? The junior posts used to be held by Indians, are now going to Africans, and we have nothing to say against it, but the top posts are being monopolized by Europeans. Despite your sympathy, Indians are being eliminated from the service, and I do not know how many years the process will take before they are completely eliminated. I would mention for your information that some departments are now completely Europeanized—sections of the Agricultural Department and Veterinary Department. It is a matter which we cannot possibly take in a light manner. We do contribute to the revenue, we are the second largest community in the country, we have certain stakes, and since we cannot get any land or none is given us and the high posts are not open to us, there is limited scope for us, and we do not know what is our future, and especially at a time when the proposed restrictions on immigration are to be imposed because you are moved by sympathy for the locally born, but when we study the facts we find we are steadily being eliminated from all the services. There used to be ten Indians to one European, and to-day I should say the number is equal of Europeans and Indians. The matter does not require further comment.

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Coming to the Education Department, I think it is through love of education that Indians at various centres are maintaining schools at their own cost, with, of course, some grant in aid. Two schools about which I drew Your Excellency's attention last year, Kericho and Kakamega, have a very large number of students, and it is time something was done for them. In reply to a question, I was referred by the hon. Financial Secretary to the report of the Development Committee. I would commend to his attention the minority report by the Indian representative, Mr. S. G. Amin, and they will give him the real answer to our trouble. While he has no money for Indian hostels he can find on page 99, Volume II, paragraph 11, of the report, £75,000 for additional boarding and tuition accommodation at the European primary school in Nalrobi. I should really like to know why there are two or three policies. Money for boarding can be found for Africans, Arabs and Europeans, but cannot be found for Indians. There is something fundamentally wrong with the present system. I trust Your Excellency will look into the matter so that the education of Indian youths from wayside townships does not suffer adversely.

For your information, I would say that from the facts supplied to me by the Director of Education, the cost of a European boy or girl to Government is something like £317/7/0, that is in Government institutions, against an Indian boy's costs of 16/2/54. Then we have got the aided schools which cost Government £3/8/62 for a boy or girl. These figures speak for themselves. I was given certain figures by the hon. Member for Agriculture, which shows the money other departments use. Acreage under crop in native areas was 2,780,000 on 31st December, 1945, and at the same date the area under European cultivation was 764,333 acres. If you go closely into these figures you will find the European area is less than 33 per cent, but if you go into the cost of services to both communities you will find a great disparity. For Africans in 1945 veterinary services were £33,579, agriculture £45,312, against the cost of European agriculture amounting to nearly £267,425 and veterinary £60,164. In both cases administrative

charges are excluded. On the one hand we are being told that the African, being primitive, does not make good use of his land, and on the other that he is not being assisted at all. I really wonder whether that is the reason why more money is being spent on Europeans because he is trained and knows everything and therefore the African being primitive should not be given any consideration? (Laughter.)

I now come to income tax questions. We have heard enough about the question of evasion. It is very hard to say who is engaged in evasion. At the same time it would not be out of place for me to give Your Excellency some very interesting and illuminating figures which were supplied by the hon. Chief Secretary, who possibly obtained them from the Registrar General. We closed on the 31st December last year 79 European public companies with a capital of £15,210,937/10; six Indian public companies with a capital of £222,000; mixed companies—that is European and Indian companies—four with a capital of £1,900,000; African 1, with £50,000 capital. As regards private companies, there are 476 European owned companies with a capital of £10,550,091; Indian companies 297, with a capital of £2,431,850; European-Indian companies five, with a capital of £34,700; African three, with a capital of £4,500. The combined total of 855 European public and private companies has a total amounting to a figure of £23,761,028/10, against 303 Indian owned companies with a capital of £2,653,850. These figures will give you some idea as to the capital both communities have. The capital of the Indians is roughly 10 per cent of that of the Europeans. Naturally, there will be a disparity by the same amount in the income tax. (Laughter.)

I will give you some other interesting figures and there will be much less laughter. (Laughter.) I will give you a statement showing the cost of white settlement to the country. In 1942 we spent on agriculture for these gentlemen £97,882; on education £40,118; on settlement (presumably in its preliminary stage) £620, when it was being run by the Land Department (laughter); rebate on petrol £6,798; water subsidy (probably against unsuccessful bore holes) £3,055. In 1943— you will notice how it mounts up!—against £97,000 for agricul-

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ture in 1942 we have got in 1943 £193,767; for education £49,424; for veterinary £48,876; for settlement £1,308; rebate on petrol, etc., £10,357; water subsidy £1,473. In 1944, agriculture £284,436; education—£67,706; veterinary £53,753; settlement—£625; rebate on petrol, etc., £17,772; water subsidy £11,250. In 1945, agriculture £267,425; education £70,972; veterinary £60,164; settlement £609; rebate on petrol, etc., £22,113; water subsidy £1,042. In 1946 the figures are only estimated. Agriculture £365,716; education £92,082; veterinary £64,024; rebate on petrol, etc., £28,500; water subsidy £2,500. For 1947, for agriculture, apart from grants made by D.A.R.A., £174,180; education £99,690; veterinary £61,974; rebate on paraffin £27,500; water subsidy £1,350. All told, it comes to about £2,267,480 in those six years. This is only in respect of services specifically rendered to Europeans only and these charges do not include administrative costs.

At the same time I should give some idea of what Indian education has been costing this country. In 1942 it was £17,735; in 1943 £37,183; in 1944 £46,928; in 1945 £64,853; in 1946 £92,004; in 1947 £105,542. That is the only service that we receive in return for all the revenue Government receives from Indians.

Now I come to the Labour and Police Votes. The Labour Department for the past six years has cost £169,756. As Your Excellency knows, Indians have never been in favour of the kipande, but the Europeans have always wanted it. If they want this Department to continue in its present form, surely it is time that those who want that particular type of service should pay for it. I do not see why we should be called upon to pay for it. If you look round at all the police courts and police posts and stations, in the country, one is struck with the idea that the Highlands are occupied by the police. After every ten or fifteen miles you will find a police station with a European in charge. They would not have an Indian. Naturally, it is only fair that if they want that type of service they should pay for it, rather than expect the general taxpayer for what they want.

It has generally been said that we owe a debt of gratitude to our fathers. I think we should, but what is the real history and mystery? When prices shrank due to world production, for one reason or another, the naturally the taxpayers rushed to the rescue of the farmers, and it is only fair that it should be so. (MAJOR KEYSER: It was never done.) You just wait! (Laughter.) My figures are based on the Financial Report and Statement for the year 1944. It was somewhere in 1930 that a sum of £113,200 was advanced to farmers. The precise date is not given. £55,446 was written off as bad debts and later on £115,000 was paid, which makes a total of £70,446, but leaves the balance remaining unpaid at £42,754. The amount advanced to the barley industry is £425, and to the wheat industry £4,204. The amount granted as a subsidy to maize growers was £111,459. All told, it comes to about £158,844. That is the money which has gone to the farmers from the taxpayers. You will find a very nice sum of £1,600,000 earmarked by D.A.R.A. for white settlement. Then the capital given to the Land Bank more or less for the benefit of European farmers is £750,000. All told, it is something like £2,508,844. The benefits of this money accrue exclusively, in my opinion, to Europeans. Then there is another little sum advanced, vide the Financial Statement and Report for 1944, to the Agricultural Production and Settlement Board, of £41,264 for fertilizers, etc. From these figures you will find conclusively that while some good has been done by white settlement, at the same time it has proved to be a white elephant.

It has been said that the Africans do not pull their weight. That is not the case. If the figures were gone into the matter would find the story has been very much exaggerated. I will give you the figures for the amounts spent on services for Africans for the last few years since 1942. The total amount spent on agriculture during those years is £242,808, on education—£659,099, on medical £1,371,767, on veterinary £193,029. Now I will give you the revenue figures, based on the reports up to 1945; thereafter it is only estimated. This is in respect of poll tax only. Actual collections during 1942 were £36,358; in 1943 £504,235; in 1944 £524,719; in 1945 £530,484; estimated in

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and in 1947 a similar amount. If these estimates materialize the African will have paid a total amount of £3,175,396, against certain services—of course they are only a few—of £2,466,703.

It is always said that the African does not pull his weight, and the time has come when I join issue with the hon. Member for Nairobi South when he says that we should get someone who will look into the incidence of expenditure. I think it would be better if you got a man whose appointment was approved by the Electors' Union; then you would have less trouble, as any report made by such gentlemen would be accepted, but if he is not chosen by them, then trouble is almost certain.

I think I had better end for to-day, I shall have more to say to-morrow.

The debate was adjourned.

#### ADJOURNMENT

The Council adjourned till 10 a.m. on Wednesday, 27th November, 1946.

Wednesday, 27th November, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 27th November, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 26th November, 1946, were confirmed.

#### PENSION

Mrs. A. M. WILCE

MR. TROUGHTON: Your Excellency, I beg to move: That this Council approves the restoration, with effect from 8th February, 1946, inclusive, of the pension formerly awarded to Mrs. Alice May Wilce (then Mrs. Bowen), widow of the late Lieut. C. E. L. Bowen, Assistant Superintendent of Police, who was killed in action at Nsendi while attached to the King's African Rifles on 1st December, 1914, the pension on restoration to be at the appropriate rate under the Royal Warrant of 12th April, 1946, that is to say, £150 a year for life, but to cease in the event of Mrs. Wilce remarrying.

This is a very curious case. Mrs. Wilce is the widow of Lieut. C. E. L. Bowen, and Lieut. Bowen was an assistant superintendent in the East African Police at the time of the last war. He was posted to the military authorities with the rank of lieutenant and was killed in action by the Germans at Kisii, leaving a widow. The records of the case are not available locally, the files were either burnt or destroyed in the effluxion of time, and we have had to piece together the facts from information available in London. So far as we have been able to prove the facts they are these.

Lieut. Bowen's widow was not entitled under the regulations in force at the time to be treated as a soldier's widow, but, in view of the circumstances, it was decided that she should be granted a pension from the funds of the East African Protectorate as it was then called, of the same amount as she would have got if she had been eligible for a soldier's pension. She in due course was awarded an amount of £80 a year until her death or remarriage and a certain



[Mr. Troughton]—small sum each year for her two daughters, who were then children. Her husband was killed at Kisumu in 1914, and Mrs. Bowen married again in 1916. She was at that time informed by the Secretary of State—we have had a copy of the letter—that in the event of her becoming a widow, should her second husband die, the pension would in the normal course be restored, and that restoration would itself be refused if she had shown herself unworthy of the royal favour—whatever that means. (Laughter.) The lady's second husband died this year, and so she applied for the restoration of her former pension. The Ministry of Pensions was consulted about the matter, and it came out from the correspondence that she had a clear case for the restoration of the pension at the rate of £150 a year. The reason the rate is £150 a year, which is more than the rate she was originally awarded when first a widow, is that under the various Royal Warrants from time to time the rates of the first great war pensions have been stepped up, so that there is no doubt on the papers and commitments given that Mrs. Wilec now has a case for the restoration of the pension. The Standing Finance Committee considered it and agreed that I should move this resolution in Council.

The hon. Attorney General seconded. The question was put and carried.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

#### WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE

The debate was resumed.

Mr. PRITAM (continuing): Your Excellency, at the outset I want to express my regret for an oversight in respect of figures I gave yesterday concerning the veterinary services. I have since been told that certain services are not exclusively for Europeans—that Africans share in it, and for me to apportion those figures to show the picture I do not think would make any difference one way or the other, because I have excluded administrative charges and certain other charges will have to be added which appear in the Appropriation Bill for 1947, which has yet to be passed. There I find the Agricultural Department £2,632, and Agricultural Production

Board Extraordinary £27,934, have to be put in, and I would be surprised if the greater portion of those expenses had not gone to Europeans, but I am sorry that I made a slight mistake in my figures. These charges are shown under Europeans, and naturally I took them as such, and as it is not my intention to distort figures as such it is only fair that I should explain how the error was made, and I trust that you, sir, will accept this explanation.

I would now refer to page 145 of the Draft Estimates, item 4, where £4,000 is earmarked for the purchase and production of vegetable seeds. I think this is a form of imprest cash and should not be treated as final expenditure, but as an advance to the Agricultural Department, so that a check can be maintained over the activities of the department concerned. Page 147, Agricultural Production Board Extraordinary, item 1, Sukh transport subsidy £4,000; item 2, subsidy for fertilizers £17,000; item 3, guarantee to farmers £15,000. In regard to this expenditure, the time has come when we should now revert to normality. Year after year this money is budgeted annually to one particular section. There was a time when there was justification for it from a revenue point of view, but the time has come when the whole matter should be reviewed in the light of present day circumstances.

MAJOR KEYSER: On a point of order, do not these subsidies apply to all communities?

Mr. TROUGHTON: I was unable to catch the hon. member's observations—perhaps if he could repeat them I could reply?

His EXCELLENCY: I think we can let the point go now, it will no doubt be dealt with in the reply to the debate.

Mr. PRITAM: As far as fertilizers are concerned I am not sure that the subsidy applies to all communities, but Africans should be entitled to it. I am not aware of any guarantees, but I do know they are usually paid to Europeans.

Page 148, Agricultural Machinery Pool—Last year we were given to understand that this costly show would disappear some time during the year, but to my great astonishment it has again appeared in the Estimates, and it is now something like a department. There is no

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doubt that it does not actually cost so much as usual, £43,229, and that it brings in revenue, but, always there is a short-fall amounting to £7,000 or £8,000. I think some competent organization should handle this part of the activity of the board, which would be the Kenya Farmers' Association; perhaps they would take it over. I would like to know when this Agricultural Production Board is to wind up. I think it was extended during the war-time, and there is no justification for it now since normal times are coming. Why should this be allowed to remain. Take it from me, the unofficial European members would raise no objection, but to the general taxpayers this is simply an anomaly.

Mr. VASEY: Is that a direct intimation that it affects members on this side, sir?

Mr. PRITAM: I want to say something about the Development Committee report. There is no doubt that it is an amazingly wonderful document, and the gentlemen who prepared it deserve the congratulations of all communities, but by this document non-Europeans are required to play the part of Peter and the Europeans to play the part of Paul. I need not go into detail, because there is not much about Asians, but I will cite a few examples.

I would refer to page 209, items 20 to 24 inclusive. You will find the sum total comes to about £509,378. I would like to know the nature of the building, because one alone costs about £315,000. On the one hand we are told there is no money for education, and on the other it can be found for palatial buildings. What we Indians are concerned with is education, not buildings. I should also like to know the number of children who will receive education in that palatial building.

Items 25 to 28, in respect of Indians. The total cost is £212,000 for three buildings. Item No. 29 on the same page 209, is £75,000 in respect of grants in aid to Indian schools. Item 89, page 211, is for £22,000. All told, it is £309,000 against £509,378. I would like to know the number of children that are to be accommodated in buildings earmarked for Indians and likewise buildings earmarked for Europeans, and also if there are any buildings intended to be used for hostels.

I now come to trade licences. Last year we were told that an advisory committee was looking into the matter, and then it was found that certain legislation was to be brought into being in Kenya simply because the adjoining territories were having it. For Your Excellency's information, the adjacent territories have abolished restrictions on trade licences, and it is time we decided to come into line with the legislation of adjoining territories.

Registration of births. In reply to a question by me I was told that it is the practice to require affidavits to be accompanied by confirmatory evidence, such as doctors' or midwives' certificates, horoscopes, maternity home certificates, extracts from temple records, extracts from diaries. In this connexion I would request Your Excellency to add school certificates; they are just as good documents as any other. In fact, where families keep no birth records it would facilitate this registration business very well if school certificates were accepted as well as doctors' certificates.

Incidence of crime. On going through the police estimates I find that the cost of the police has again been increased, and it is a fact that there are certain police officials of outstanding character and the work they do is of an excellent nature, but things with Indians are different in this town. I know it is very difficult for children to go out wearing golden bangles or necklaces. It was last year that the Member for Klamu brought up a motion asking for steps to suppress this sort of crime. I do not feel ashamed in saying this, that there are really non-native receivers of stolen property, and the time has come when this sort of organized crime should be suppressed. (Hear, hear.) It is an anti-social element, they have no caste or creed, they are a class by themselves, so that it does not matter whether they are the Indians, Europeans, or Africans, whoever they are, they should be suppressed. But if you have got very excellent police, but if you like you can buy opium from my pound in River Road. The importation of opium was ago, named in this country several years ago, and I think it was a very virtuous act on the part of Government, but what has happened since? Opium is smuggled into this country, the number of addicts is always on the increase, and opium is

[Mr. Pritam] the price it was. Either it should be suppressed or allowed, so that we do not have so many criminal-manufacturing places. As for gambling dens, there are so many in River Road that I am surprised the police do not know of their existence. And it is that particular element who, when they have lost everything, go to crime. It is time that things were lightened up from the top. Officers must be replaced, and if we want good men we must be prepared to pay for them, but we would expect proper work from them. (Hear, hear.)

Now I come to a controversial subject, the price of maize. (Hear, hear and laughter.) The maize price of Sh. 17/50 you would agree is a dictated price. Certain Kitale farmers got together and passed a resolution and the next thing we heard was that Government had agreed to pay them that price, and added to that there are fertilizer subsidies and so on. As to wheat, it has been fixed at a price which these farmers, these gentlemen, themselves suggested. In times of glut there was too much wheat on the world markets, then we were asked to pay them a proper price so that they could keep in business. Up to that point it was all right, but they cannot have it all ways. When there is a glut of maize we should pay them a price commensurate with their efforts, but when there is a shortage they want all the price they can possibly get. I think the time has come when we cannot continue to spoon feed one certain section of the community. It may be all right when we have got the money, but the time may not be far distant when our treasury, perhaps now overflowing with money, will not have sufficient and when more wheat will be produced than we can use, the present world shortage of food will not last for a very long time. It is, therefore, high time that we planned our agriculture properly, so that we produce enough for our local needs but very little for export, in order not to have to pay the difference between the guaranteed and overseas market price.

Now I come to the real matter. It has been said that there should be a reduction in taxation, but at the same time there have been demands that the police should be paid more, that the district council road grants should be increased,

and for this and that. Under these circumstances, where is the justification for a reduction in taxation? If my hon. friends ask for a reduction in taxation they should make constructive proposals for a reduction in the cost of administration, but they have not done so. Under the circumstances, if there is to be any consideration at all it should be for the people who come under the lower income group. They are the people who deserve our sympathy. The people who get £1,000 a year or more do not matter, and, I repeat that, if there is any consideration at all it should be for the people who come under the lower income group.

With those words I resume my seat and support the motion.

MAJOR JOYCE: Your Excellency, I can only give at this stage conditional support to the motion, for the reason that has been made quite clear by a number of previous speakers, namely, that we do ask that the hon. Financial Secretary, when replying to the debate, should see his way to withdraw one or two statements that he made in his opening speech, to the general effect that if this budget were accepted it would in fact set the standard for post-war taxation. I am going to quote in connexion with that one or two passages from the Development Report. Some speaker has said that there was already a rather undue tendency to quote, but I am afraid I shall have to do a certain amount this morning.

The passage to which I refer is this, on page 2 of Volume II—it is in connexion with the point as to the impossibility of considering this budget in any way as a permanent post-war type of budget: "Unfortunately, no assessment has been made of the national income, and we regard it as of the utmost importance that an early attempt should be made to calculate the national income of Kenya. We realize that in the nature of things nothing more than an estimate is possible, but statistical experience in other countries indicates that it is practicable to frame such an estimate without any very wide margin of error. We regard it as of the first importance that these statistics should be compiled". Here is the important part: "They are also of great importance in considering questions relating to the revenue and expenditure of the Government. It is not

[Major Joyce] possible to form any opinion of value regarding the taxable capacity of the colony unless the revenue from taxation can be compared with the national income".

"That being so, and the hon. Financial Secretary having signed that report like myself, I think he will agree to the condition that we consider necessary before we support this motion.

There are further reasons, of course, and I think, briefly, at any rate from the point of view of the country as a whole, that they were: one, the whole question of the evasion of taxation. We do not know to what extent that is in fact existing, but the Acting Commissioner of Inland Revenue, I think it was, during the debate on the Woods Report, gave it as his opinion that the question of evasions could be cleared up in two or three years. That being so, it seems desirable to allow that problem to be settled one way or the other before we establish a permanent system of taxation. (Hear, hear.) The other point is the whole state of indecision as to the future of the colony, partly from the point of view of settlement and partly from the point of view of the possibility of the arrival here of armed forces. I do not suppose it is a thing we shall be kept in suspense about very much longer, but it does not appear to be generally recognized that if, for the sake of argument, one division were sent to this colony, the white population would be practically doubled and an entirely different economic set-up would arise.

At this stage, in order to avoid going into too much detail on points already covered by previous speakers, I should like to say that I am in full accord with the statements made in his opening speech by the hon. Member for Nairobi South. There may be one or two points in that speech and in the speeches of other members to which I would like to refer later.

Now, sir, if I may, I would like to come to the Development Report. As one of the inhuman robots who signed their names to that report, I think I should like perhaps in the first instance to refer to one or two remarks made about it by the hon. member Archdeacon Beecher. I do think that it is a

very great pity that a man of his standing and of his integrity should have seized the opportunity to belittle what, at any rate, is or has been an attempt to make a start in what has been wanted so long, a plan for the development of the country as well as a plan for arresting its decay.

He referred to this book as "The Yellow Peril", and I think one must agree that there may be passages in it that, perhaps, are a little inhuman, but as a member of that committee who sat for many days over a very long period, I can assure him and all members of this Council that, at the end of that long session, which extended over a year, my own surprise is that it is not more inhuman than it is, (laughter.) To get back to this question of inhumanity, the ven. Archdeacon referred to the question of the use of man power as being akin to the question of slavery. Surely that is drawing a parallel which has no justification whatever? In every advanced country the use of man power is absolutely the basis of economic progress, and the same applies in this country, and it is at least one of the few things that the African can contribute to its advance.

The difficulty in all these plans is to make a start. That applies not only to a large scheme of this sort, but I am sure there is not one of us here who has not suffered from hesitation and delay in planning and putting into operation plans for their own businesses or their own farms, and I have found that the great thing ultimately is to make a start and then correct, adjust and change as circumstances demand. I am not suggesting for one moment that every recommendation in this report will prove in the light of experience to be an invaluable one, but I do suggest it is a moderately good outline and a means for making the absolutely essential start.

There were one or two other statements made by the hon. member which I think rather spoil his general criticisms in other directions, with some of which I might have agreed. It is a great pity to exaggerate, and one statement was to the effect that the Masai, for instance, could sell their cattle at four or five times the price they are now getting if the Live Stock Control were removed. I challenge that statement absolutely, and if the hon.

[Major Joyce.] member wishes to know the prices that are being offered and paid to the Masai for their cattle and would like to see how they compare with the prices paid for European owned cattle. I should be very happy to give him these figures, but I do not propose to worry this Council with them now.

ARCHDEACON BEECHER: On a point of order, the complaint that was made to me by the Masai and which I passed on, was that the price at which they themselves could sell their stock as meat in the Masai reserve was of the order of four times the amount they were paid by the Live Stock Control. That, I think, is not the point which the hon. member is now making.

MAJOR JOYCE: I think it is a great pity the hon. member did not check that by personal experience in the reserve, because I think his information is incorrect in connexion with that it is interesting to note that since the auctions of cattle in the Ukamba reserve have become free, so far from the prices having rocketed up to four or five times the normal ones, they have remained more or less static, and when I say they are normal, they are perfectly free auctions at which other Africans were entitled to buy.

He also referred to a small point which is hardly worth mentioning, but it does establish a principle. He referred to certain provisions for water that had been made for these people, such as a windmill, and he appeared to swallow wholeheartedly the complaint of the Masai that Government had put in a windmill and left them to it. I ask you, what does he expect Government to do? Does he expect them to put a white man there in charge of it? Surely, having provided water and machinery, it is not unreasonable to expect that members of that tribe should look after and maintain their own development (hear, hear), and it is a curious thing and an unfortunate fact that those Africans who do look after such boreholes and so on as exist in the Masai reserve are generally Wakamba.

Some speakers have referred to the hon. member as soaring above the clouds. I suggest that it is an understatement (Laughter.) I think he has been rocketing in the stratosphere and I will not attempt to accompany him there, more especially in the financial sphere!

I think it would be right, as so little has been said about the Development Report, if I went very briefly through the proposed expenditure and revenue for the ten-year period. All hon. members have had this admirable summary put in front of them two or three days ago, but I doubt if many of them have read it. (MEMBERS: Oh!) I withdraw that remark! (Laughter.)

To come to the question of revenue over the ten-year period, it is a matter of about fifteen and a half millions, and in case anybody should think that we are as dependent as some have suggested on the British taxpayer, I should like to make it quite clear that out of the £15½ million—I am referring to Kenya alone; not to the territorial allocation—Kenya alone is getting from the Colonial Development and Welfare Vote a very generous sum of 3½ million pounds, and it is a generous sum, more especially when one remembers another 3½ million pounds is made available for inter-territorial development, of which a proportion will, of course, come to Kenya. But the point is that twelve million of the fifteen and a half million pounds is provided, or is going, I believe, to be provided, by the population of this country. It is roughly divided as follows. I will try and state the figures in very round figures. Loans: £5 million, which we hope will be floated in this country, and the balance of the local loan raised last year of a quarter of a million; the balance of the war-time contingency fund, half a million.

While mentioning that I should like to say, more especially in connexion with a remark or two made by the hon. Member for the Coast, that it is not the intention, as far as I know, either of myself or any member of this Council, to encroach on those funds or to rob the funds that will be available to D.A.R.A. by means of demanding reduced taxation. We will carry on the full financial provisions of this Development Report and at the same time, as I hope to be able to show if you are not already convinced, to reduce taxation to some considerable extent.

The other items of revenue are Forest Replanting Fund £400,000, which is derived mostly from the sale of timber during the war to the military; excess

[Major Joyce.] £6,400,000, a very large sum, in fact, about 40 per cent of the total expenditure. That includes, of course, settlement and reconditioning, which I look on as an absolutely fundamental issue of the whole of this report, I would like to draw attention to another statement made by the Development Committee, and I apologize for quoting so often, but I think this is an important one. I refer to Vol. I, page 17, paragraph 49, for if we do not accept and act on it I believe a great deal of the money will be wasted; "In view of the large sums which it recommends should be spent on reconditioning the native areas, the Committee attaches the greatest importance to the remarks in paragraphs 19 and 25 of the Sub-committee's report, in which it refers to the need for insistence upon sound agricultural practices in the native areas and for the rigorous enforcement of such practices in the day-to-day business of agriculture." I would suggest that that applies not only to native areas, but to European, and any other farming area. "Money spent on the rehabilitation of the native areas will be so much money wasted if sound agricultural practices are not adopted and, if necessary, enforced."—I repeat, "and if necessary enforced." The Committee therefore recommends that the Government should take all necessary steps in this regard." We all acknowledge straight away that progress will be more rapid if we can get the willing co-operation of the African peoples, but time is running short, and I do suggest that unless we can get that willing co-operation and make every effort to get it, but having made that effort, if we fail to get it, I am afraid there is no possible alternative but enforcement of principles we know to be right. (Hear, hear.)

There is a note about that £300,000 which I am going to quote from the Development Report: "As regards contributions from revenue, although it was made clear by the Standing Finance Committee that the contribution of £300,000 for 1946 did not bind the Legislative Council in future years, we trust that it will in fact prove to be possible to make annual contributions of this order. Indeed, it will be evident that unless such contributions are forthcoming, a further curtailment of the development programme below the modest level proposed in this report will be necessary. In support of such a contribution we would mention that many items which would normally be financed in the ordinary budget, especially under the Public Works Extraordinary head, will be financed from the Development and Reconstruction Fund. We have, therefore, put total receipts from revenue at £3,000,000, although we recognize that it may not always be possible to maintain a contribution from revenue as high as £300,000." I hope that in the next ten years, when it is possible to make a larger contribution than that amount, we will do so and be able to maintain the average in those years when we may indeed have to take a slump. That accounts in very round figures for the revenue of £15,500,000 over the ten-year period.

With regard to expenditure, I would refer hon. members to page 3 of this summary, Agriculture and Veterinary. Again I will give round figures—

£6,400,000, a very large sum, in fact, about 40 per cent of the total expenditure. That includes, of course, settlement and reconditioning, which I look on as an absolutely fundamental issue of the whole of this report, I would like to draw attention to another statement made by the Development Committee, and I apologize for quoting so often, but I think this is an important one. I refer to Vol. I, page 17, paragraph 49, for if we do not accept and act on it I believe a great deal of the money will be wasted; "In view of the large sums which it recommends should be spent on reconditioning the native areas, the Committee attaches the greatest importance to the remarks in paragraphs 19 and 25 of the Sub-committee's report, in which it refers to the need for insistence upon sound agricultural practices in the native areas and for the rigorous enforcement of such practices in the day-to-day business of agriculture." I would suggest that that applies not only to native areas, but to European, and any other farming area. "Money spent on the rehabilitation of the native areas will be so much money wasted if sound agricultural practices are not adopted and, if necessary, enforced."—I repeat, "and if necessary enforced." The Committee therefore recommends that the Government should take all necessary steps in this regard." We all acknowledge straight away that progress will be more rapid if we can get the willing co-operation of the African peoples, but time is running short, and I do suggest that unless we can get that willing co-operation and make every effort to get it, but having made that effort, if we fail to get it, I am afraid there is no possible alternative but enforcement of principles we know to be right. (Hear, hear.)

I do not propose to refer item by item to all the remaining services referred to in the summary on page 3, but I should like to refer more particularly to the item of two and a half million pounds for education, because that is one of the parts of this report with which, in the light of experience, though I signed the report, I am not altogether happy. (Mr. MARSH: Applause!) (Laughter.) I am not suggesting the expenditure of a larger sum of money than has already been allocated, but I am not at all sure that

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the best means of achieving the results we are looking for are included in this particular section.

The three points with regard to the education of the African—and this refers not only to the D.A.R.A. budget but the ordinary budget as well—which we have to aim at are (1) mass literacy. I believe that is essential and I do not believe that it need cost the country as much as some people think, and I am going to ask the hon. Director of Education to tell us at a later stage in the debate what progress has been made in achieving mass literacy in other countries of this nature. It appears to me to be evident that, until we get a large proportion of the African population literate—I am not saying educated, because that is a very long term policy—we shall not be able to get over to them by means of literature, pamphlets and the like the necessity for proper land use, which is the most important thing in this country. The second, and most important thing is that the young African at a certain stage—not at the seven-year-old stage, but more or less at the thirteen or fourteen year old stage—should have opportunities for technical education and education in the essential principles of sound agriculture, and I believe that we have been wasting our time by taking a mass of children, boys and girls, up from the bottom of the thing all the way up the ladder, and in point of fact, I think it has been shown that about 40 per cent of these youngsters run away from school after they have done a few months schooling. That means a most colossal waste of money. The third type of education which we must ensure in some way or another is, let us call it, academic education up to school certificate and from there on to Makerere. But it is quite impossible to apply that to the whole population, and I suggest it would be much better to aim at educating a smaller number in the academic sphere and larger numbers in the technical sphere, with mass literacy for the whole population.

The whole crux of the expenditure in both budgets, if I may say so, is the question of social services and the difficulty of striking a correct balance between expenditure on those social services and the more practical things of

everyday life, and I would like to remind the Council of the message sent by yourself, sir, at the beginning of the budget debate last year. This was the gist of your message: "Social services, hospitals, clinics, welfare workers, and many other things of that kind are a consequence and not a cause of primary production, and if we cannot produce the wealth we cannot have these consequences". (Hear, hear.) I expect there will be some members of this Council who will consider that to be inhuman (laughter), but nevertheless, I consider it to be a practical approach to a very difficult problem, and if we begin sky-rocketing the expenditure on things that are not going to add immediately to the national income we might just as well drop the whole plan.

I would like at this stage to refer to the speech or a remark made in the speech of the hon. Member for the Coast. If I understood him aright, he accused me of saying that the Development Report was not intimately tied up with the budget. I do not think I said anything like that.

MR. COOKE: On a point of personal explanation, I have no recollection of saying any such thing! (Laughter.) My point is that the hon. member's argument in favour of reducing revenue and reducing taxation does not fit in with his urging the implementation of the report. That is the argument.

MAJOR JOYCE: That disposes of that, because I am glad that I did not understand him aright. (Laughter.)

But in order that there can be no misunderstanding on the part of all hon. members about what they are in fact doing when they give their wholehearted support in principle to the report, I am going to read some more extracts, because I should be sorry to think that any member should say: "I did not know that" or "was included in the report." I will read one or two things with which I am sure the hon. Member for the Coast had hoped to shoot me down! (Laughter.) I am going to refer to Volume I, page 121, at the bottom of the page—this is referring to the general programme: "If the programme is to be carried out, and the committee is firmly convinced that it is much less

[Major Joyce]

(than should be carried out, then it is impossible to expect any appreciable reduction in taxation). "No appreciable reduction in taxation"—that does not preclude a different spread of taxation. (Hear, hear.)

This is from paragraph 237 on page 122 of Volume I: "The committee therefore wishes to point out that if the programme recommended in this report is to be carried out taxation will have to remain at a high level". You will note that that is an acceptance by the signatories to this report that taxation is, or was when the report was written, at a moderately high level. "The fiscal system should be so designed as to afford the maximum of encouragement to industrial and agricultural development". This is, I think, absolutely vital: "The payment of taxation on this level places on the shoulders of the Government a clear obligation to ensure that there is no waste and that all the funds available, both for capital and recurrent expenditure, are used to the best advantage. For that reason, among others, the committee welcomes the appointment of the Development and Reconstruction Authority and considers that insistence on securing the best value for money in the execution of the programme must be a cardinal duty of the Authority".

In this Authority we fortunately have one of those small bodies, three people only, and with a body of that sort I think there is some hope of getting action. Large bodies generally lead to delays, and I have the greatest hope—and I think all should have—that this small body of three men will, indeed, achieve action on the general lines of the Development Report, and, in fact, I think we have every reason to demand action.

A point about the staff at the disposal of D.A.R.A. which should be known and noted is that most of them are not permanent and pensionable. They employ to a large extent temporary people on temporary agreements. They have to pay high salaries to attract good brains, and I have no complaint with that general principle, but we members of the public must insist that, if that is so, any sign of inefficiency shall be dealt with in the hard way by that Authority and the

inefficient eliminated as soon as possible. (Hear, hear.)

I should like to make a suggestion in regard to the employment of staff by D.A.R.A. for these various projects in the native areas, and this has already been mentioned by the hon. Member for Rift Valley; that far greater use should be made of returned ex-askaris. There are some first-class men there, I believe, who if employed at good wages would greatly contribute to the work that must be started next year without fail in the reserves.

That brings me to the question already touched on by a number of people, the expenditure of £80,000 on famine relief in the Ukamba reserve. It is deplorable that it is necessary to spend that money, I agree, and I agree entirely with those people who say that we ought to get work for that money, but it is an absolute fact that until we have the staff we cannot get the work done in the reserves. Let us many come out as possible, by all means, but the number out at work is 37 per cent, not a bad proportion of the population. But in order to get work for this famine relief there must be supervision. I think if we employ ex-askaris to a great extent that would go a long way, but in the initial stages there must be extra European staff and I think the numbers will be considerable for the first year; not less than twenty Europeans in that reserve. 50 would be better still, and if you think of 50 getting £600 for a year or even two years, I maintain that it is better value for money than making up our minds to spend large sums on famine relief for an indefinite period. (Hear, hear.)

I have been asked before I leave this question of D.A.R.A. to speak about a matter connected with African settlement by my constituents, and I do it gladly. I refer to the question of the Ithanga Hills. I am not going into detail at all, because I believe it has already been considered recently by other bodies, but the fact remains that this is an area into which the Europeans have no constituency, consider first of all there has been considerable infiltration illegally by the Wakamba, as well as into other areas. I refer to the Yatta B area. Their suggestion is in the first instance that illegal infiltration should be stopped and, having been stopped and sent back,

[Major Joyce]

serious consideration should be given to the question of the use of the Ithanga Hills area under the strictest possible terms by the Wakamba, so that the land is not ruined. I am going to leave it at that, because I think it is a waste of time to embark on detailed plans at this stage, more especially when it is under consideration, I hope.

To finish about the D.A.R.A. side of the budget, I should like to say how sincerely I agree with the remarks made by the hon. General Manager of the K.U.R. & H. two or three days ago, (hear, hear) and that I hope very much that there will be no dissentient voice in this Council in giving that side of the budget, at any rate, unqualified support in principle. (Hear, hear.)

Before entirely leaving the subject of D.A.R.A. and the Development Report, I would mention one or two other points. One is the question of the use of man power. There is no suggestion by any member of the Development Committee that there should be sweated labour. We should indeed, most of us, like to see a little more sweat (laughter) result from the labour of the African, but in the generally accepted sense of the term "sweated labour" no one here is not prepared to admit that the wage and conditions of labour must be on a reasonable, fair, and economic basis. (Hear, hear.) I would appeal in all sincerity to the African leaders to get the co-operation of their people, because we depend on their leaders so much on this respect, and without that co-operation the task will be doubly difficult.

My last remark in connexion with the Development Report and D.A.R.A. is that, going back to the question of contributions from the British taxpayers, I do not entirely share the view expressed by some speakers that we must under no circumstances ask the British taxpayer to make further contributions, for I believe that, even at the end of the ten year period, the increase in wealth and production resulting from this development programme will not be sufficient to enable this country to rely entirely on itself for the funds that will be required for the next ten or twenty year period of development, and I hardly believe it likely that the British Government would have recently appointed this

Colonial Development and Economic Council if they had not in view further help for general colonial development. I think it is, perhaps, a pity that that Council at present does not include, as far as I know, any member of the community who has spent, as an unofficial, a large number of years in any of the colonies, but may be that will be rectified in time.

If I may turn to the ordinary budget.

I have been asked to show if possible how it is that I consider the money can be raised for the ordinary services of this country and to maintain the development programme, and to include reduced taxation and to show that that is possible. I do not want to repeat all the arguments adduced by a great many speakers up-to-date, but there are other sources of taxation and, remembering all the time that this common budget must be of a temporary nature, I see no reason whatever why, during this temporary period and until a proper statistical review is made, we should not at any rate make temporary use of other forms of taxation.

Many of them have already been referred to. The imposition of an excise tax on sugar: I really cannot believe any hardship will be caused on any section of the community by three or four or even five cents a pound. I cannot believe it. Other members have asked what that would add to the expense of any individual who consumes two or even four pounds of sugar a month? It is a very small amount. There is the possibility also of imposing an excise duty on tea, which might produce £20,000 and, indeed, was recommended by Sir Wilfrid Woods. There is one factor in regard to all these things which puzzles us—it is more than a puzzle to many of us—the reference made by the hon. Member to the East African Governments. We are told that the East African Governments have decided on this or that, or that the East African Governments have decided not to allow that, and so on. Well, it appears to me that if we are to approach this budget with certain reservations, with all due respect, as to what the Governors Conference has decided, we are absolutely wasting our time. (Hear, hear.)

[Major Joyce]

Members have suggested the imposition for this temporary period of perhaps an increased duty on petrol of 10 cents, which will produce £35,000 a year. As a matter of principle I do not think that it is a sound one to increase the cost of transport, which is one of the actual life lines of the country, but as a temporary expedient I do not oppose it. I think that the hon. member for Kiambu suggested that members of the community who can afford to pay larger fees for the education of their children should be asked to do so. It might bring in another £15,000 or a figure of that sort. This sugar excise at anything you like, 3 cents producing £90,000, or 5 cents producing £150,000, and one that might well be imposed is an increased duty on heavy lorries and increased licences on heavy lorries. The number of heavy lorries on the roads has increased to a very marked extent, and the paper laid on the table a couple of days ago shows that in 1933 only 1,660 lorries were registered in this country; in 1945 there were 5,160, rather more than three times as many, and the damage to our roads, I maintain, is done entirely by these heavy vehicles travelling at high speeds. If combined with a Road Fund and a Road Authority—and more particularly with some system whereby these heavy lorries that rush about the roads at 40 and 50 miles and hour be controlled—if all these things are accepted and we can control them, I think the public would willingly accept some increase of taxation on heavy vehicles, and I think the money would be better spent that way than on patching-up some of the roads.

I will come to the increased expenditure which I suggest later, but if you top up these additions to revenue which I suggest as possibilities, and add to them the under-estimated customs revenue, which cannot be less than £100,000, and add to that the under-estimate of receipts from African poll tax—because it is evident that the £75,000 from ex-askaris has been forgotten—you get a sum in net increased revenue of about £400,000, and the relief of taxation asked for by the hon. Member for Nairobi South amounts to about £300,000. I suggest that there is still a sufficient give and take between those two figures to allow for the relief that has been asked for. (Hear, hear.)

In regard to extra expenditure there is one, and only one, item on which I would suggest an increase, and that is expenditure on roads. It is quite obvious that we must, in view of the enormously increased use of roads by lorries and to a lesser extent by cars, agree to the basic road grant being increased by the full amount of 50 per cent. That is only a matter of £20,000, and if during the deliberations of the Standing Finance Committees they find it possible to increase that to £40,000 I believe that is a direction in which the money could best be spent.

I should like to refer to the increase in the cost of the Administration, £20,000. I myself do not oppose that, if it is based on the fact that there will be some devolution of responsibility from the Secretariat to the provinces, which I think is very badly needed. I hope it will be coupled, in fact I understand it will be coupled, with the increasing use of African administrative assistants. I think that is important, but I think it is just as important to see that those African administrative officers are properly trained. Do not let us hurry the thing too much. Let us train them properly. We may have disappointments, but if we are going to keep in touch with the African people the right way is to make increased use of African assistant administrative officers.

In regard to the medical vote and all these other social services, I can only refer to this Council and the Standing Finance Committee to the admirable message that you yourself, sir, sent to this Council a year ago. It is rather alarming to remember that the medical vote I believe has doubled since 1932.

I have few remarks to make about the Police, except this, that I believe that if some of the laws, at any rate in this country, were altered in such a way as to be more suited to the population of this country, and if the present police officers received better training in the presentation of cases, that in itself would greatly contribute to the elimination or reduction of crime. It is not always necessary to ask for more and more and more police. Let us by all means improve the terms of service because it is agreed that they require offering to, but it is difficult to ask any police force to keep order if the laws of

[Major Joyce] the country are such that they do not fit the population.

On the general question of subsidies to farmers, which has been touched on by a number of people, I myself, of course, would agree in principle that it is much simpler to guarantee a good price to the primary producer and to eliminate all these small subsidies here, there and everywhere. There are a number of them. They have been already referred to, but I cannot help thinking that most of them were introduced in order to instruct the farmer—in the use of fertilizers, in the use of grass planting and so on—and the time has now come when that instruction should have sunk in, and the question would be more easily understood by the public and appreciated by the farmer if a decision were reached on this question of a reasonable basic price at which he can produce the necessary foodstuffs.

I must touch on the question of civil aviation, which is found on page 47 of the budget. The total cost to this country of civil aviation is round about £20,000, which includes a subsidy of £10,000 to East African Airways Corporation. I am not going to ask at this stage any questions about the corporation, but the fact remains that there is a great deal of dissatisfaction, and I think entirely justified dissatisfaction, with the operation of that corporation, and at a later stage, not in this debate, but at a later stage in this session, we propose to bring in a motion asking for an inquiry into the general operation of the East African Airways Corporation. For that reason I am not suggesting that any further reference need be made to it in this debate. I am not clear in my mind on this question of £20,000 for relief from petrol duty to which the hon. Financial Secretary referred. I believe it is usual for these airlines not to pay customs duty on petrol in the various countries in which they operate, but I am not quite sure that that is going to react quite fairly on the people of this country. After all, we are merely being by-passed to a large extent by the York machines flying through this country to South Africa—and so on, with very limited accommodation for East African passengers, and I do think there ought to be established some *quid pro quo* whereby

the people of Kenya and East Africa generally can be assured of a fair proportion of seating accommodation on those machines.

One word about the question of African taxation. I think it has been wrongly assumed by some speakers that, in suggesting some increase in African taxation, it is our wish to increase the rate on the poorer sections of that community. That, of course, is not so at all. I think most of us would be perfectly willing, and in fact we think it right, that the poorer African getting a low wage or working under poor conditions in his own native areas should pay less than he is paying now, but there is no question that there are large numbers of Africans who can well afford to pay more than they are paying now. The present form of taxation is unscientific and prehistoric to a large degree, and there are other areas in Africa—and I am not referring to West Africa—where an attempt has been made to impose taxation on Africans on a fairer basis than our present one. Let me quote a case on my own farm. It is fair that an African receiving, let us say, Sh. 20 a month (MEMBERS: Shame!) should pay the same tax as another—and I have one—who owns a lorry and runs a very lucrative bus service and has £250 of his money banked with me at 4 per cent? (Laughter.)

Finally, I do not think there is any doubt certainly that the European population, and I believe the population of all races, in this country are perfectly willing to pay their fair share towards taxation and the development of this country. The point is, however, that there are certain conditions which I think are absolutely essential to see applied, and I would suggest that those conditions are that the incidence of taxation must be fair, and in that I include the evasion issue which must be faced and dealt with. Secondly, that we get value for money. We must insist on the elimination of waste. Many instances have been quoted and I am not going to quote any more, and with that is coupled a drive for increased administrative efficiency. Finally, and I think most important of all—and I am sure we can count on you, sir, for it—is the determination on the part of the Government to govern. (Applause.)

MR. BOYD: Your Excellency, before replying to the various questions raised by hon. members I should like to remind members that in my budget speech last year I asked for co-operation in the task of developing my department. I think I can safely say that, with one or two exceptions, I have received that co-operation, and I should like to thank hon. members on the other side of Council for assisting me in that respect. In past years speeches have centred round the delinquencies of the Public Works Department, but that attitude now appears to be rather on the lines "I must have a crack at the Director and not let him get off scot free". I said, with one or two exceptions. The hon. Member Representing African Interests (Archdeacon Beecher) has seen fit to make some very scathing remarks regarding the efficiency of my department, with which I shall deal in due course. My hon. friends the Members for Kiambu and Trans Nzoia have also adopted the principle of the department being a good cockshy, but I would add in rather a less bitter manner.

The year through which we have passed since the last budget debate has been a year of short supplies. Progress has been disappointing in many ways owing to shortage of normal building and other materials, plant, etc. Additional staff has been coming to hand slowly, but to a certain extent satisfactorily. The year has been spent in the main in training that staff. Lack of overseers and foremen is a problem which is exercising my mind a great deal at the present time. Very few men are prepared to take on this class of work and the number of recruits with any satisfactory training has been very small. The overseers and foremen on whom we relied in the past are reaching or have reached the retiring age, and the number of younger ones available to take their places is very small and is quite insufficient to fill the gap, quite apart from the fact that a number of the more active and younger foremen of my department see better and more profitable prospects in contracting or other forms of activity. The problem is a difficult one. We must not lose sight of the fact that every country in the world is at the present time trying to do exactly what we are trying to do—

that is to say development and reconstruction—and the demand for supervisory staff, that is, the men who actually supervise the work turned out by the workmen, is enormous; so much so that our efforts to obtain that class of man have not been very successful to date. To give an instance, the craftsman in South Africa can earn upwards of £45 a month employed in his trade. Now, he is not at all anxious to leave his own country, and come to a new country which offers very little, if any, additional inducement in the way of salary. Those are some of the problems we have to face, and I hope we shall find a solution, as otherwise the work of carrying out the development programme is going to be well-nigh impossible.

Turning to the question of the supply of material in the immediate future, I have received an indication from the CROWN Agents within the last week or so that the supply position in the United Kingdom has deteriorated considerably in recent months; so much so that they have quoted me a list of the materials which I have on order in London with the anticipated dates of delivery stated in each instance. These dates go to show that the supply of materials in urgent demand, such as fittings for houses, schools, hospitals and so forth, are not likely to be available for anything from six to eighteen months. In fact, they may not become available in 1947 at all. The iron and steel position in England is very critical at the present time. I have given these particulars with a view to hon. members realizing that it is by no means easy to ensure that projects will be got under way in reasonable time and that things may become increasingly difficult in the next year or so.

I hope that the picture I have presented will prove to be a pessimistic one, and that the supply of materials will not deteriorate to the extent I have suggested. I would impress on hon. members, however, that they must not expect too much in the coming year, as if they do they may be somewhat disappointed.

Turning now to the specific questions raised by hon. members. The hon. Member for Central Area (Mr. Thakore) raised the question of leaking roofs in the Asian wards at the Native Civil Hospital. The flooding which took place during the recent heavy rain was not



[Mr. Boyd] was actually due to leaking roofs, but was caused by driving rain penetrating through the semi-crestory at the ridge of the roofs. The roofs in question have been in existence for over 15 years, and flooding such as occurred in the recent rains has never occurred before. During normal rains these roofs are perfectly watertight, but in this instance the rain was accompanied by very violent driving wind which drove the rain through the ventilators. As soon as the flooding was reported the ventilators were covered with tarpaulins. At the moment it is not possible to alter these roofs until supplies of corrugated iron become available. The crestory ventilation can then be effectively screened.

The hon. member referred to the Public Works Extraordinary head and mentioned the expenditure of £300,000 to £400,000 annually without any provision being made for schools and hospitals. I was not able to follow his point exactly, but the total amount under Head 21, Public Works Extraordinary, in the 1947 Estimates is only £270,574, of which £72,800 is the anticipated amount required for repairs in respect of works under construction but not completed in 1946. I would refer the hon. member, who I do not think is here at the moment, to page XIV of the memorandum on the 1947 Estimates in this respect. All items under this head, except those under Miscellaneous, have been kept within the limit of £5,000, and if the hon. member will turn to the D.A.R.A. Estimates, head 14, pages 208 to 211 of the Draft Estimates, he will find adequate provision for Indian schools and other Asian amenities.

My hon. friend the Member for the Coast once again raised the question of increased petrol tax as a means of obtaining additional funds for road improvements. This suggestion, since it was raised in the last budget debate, appears to have quite a number of advocates now, and I for one have always supported it. I do not think any intelligent motorist or transport contractor would object to paying a few cents more for his petrol if he could be assured of getting better roads, and thereby reduce the cost of wear and tear on his vehicles. (Applause.)

I was very glad to hear the hon. Member for Mombasa make the statement once again that good salaries must be offered if we are to obtain the best men. There is no doubt about it. There is such a demand for well trained and qualified technical officers throughout the world at the present time that the only means of attracting the men we want is to offer them good salaries. This has been appreciated and implemented to a certain extent during the past year.

The hon. Member for Nyanza raised the question of the cost of cattle dips in the Sotik and Lumbwa districts, and quoted a fantastic figure of £65,000 for 100 dips. I believe he obtained this information from some Government official—I am not quite sure who this was. I can assure the hon. member that I have investigated the matter, even to the extent of contacting my divisional engineer at Kisumu, in order to check up on the information which I had in my own office, and no such figure has ever been quoted by my department. It must be borne in mind, however, that the cost of individual dips depends on several factors. Firstly, the type of soil in which they have to be constructed, and this will decide the type of construction. It might have to be reinforced concrete in certain instances, or brick work and masonry where the soil is suitable. The second factor is the distance of the site from railhead or the supply of local material. The amount of lorry transport affects the issue to a considerable degree. The third factor is the distance the water has to be piped and the type of installation that is required in order to serve the dip. I am giving you these facts because I wish to emphasize the somewhat fantastic figures that can be put forward at times without taking into account the various factors that enter into the question of estimating.

I can give the hon. member some figures which I have extracted from recent records. Unfortunately he is not here, but he will receive them in due course. Two dips at Kajiadu and Namanga cost £550 in 1940, i.e. £275 each; one dip at Narok, including hand pump and water supply and road transport of 56 miles on materials other than local, £310; one dip at Kabaa including pump and water supply, and road transport of 63 miles on materials other than local.

[Mr. Boyd] £331; average of four dips, including a small amount of water supply in each case, £305. Previous estimate for dips, allowing 40 miles railage and 60 miles road transport, without water supply, was £255. Allowing for the present-day cost of materials, etc., this figure may become in certain instances £420. The estimated cost of any small isolated project such as a cattle dip must of necessity depend on the circumstances pertaining to it and must vary accordingly. I suggest, therefore, that if the hon. member requires information regarding estimates for specific works he should ask me for them and not quote fantastic figures which bear no relation to any estimate given by my department. From the figures quoted I think he will agree that the estimate of £200 per dip quoted in the Development Report is definitely an under estimate; it is impossible to say by how much, it is an under estimate until the individual projects are known.

The hon. member Archdeacon Beecher was very bitter in his attack on my department and, to say the least of it, was decidedly scathing. Admittedly he did not lay the blame at my door personally, but intimated that I had inherited a legacy. The hon. member, I think, might bear in mind the fact that the Public Works Department passed through a very difficult period during the war owing to lack of staff and lack of materials, and yet at the same time carried out an ever increasing volume of work. The war, having ended just at the time I took over the department, it is only natural that a certain number of legacies—shall we call them babies?—were left to me to clear up. I think I can safely say that I have cleared up quite a number of these legacies, in fact the majority, and that the department is now functioning on reasonably efficient lines.

The hon. member suggested that the Public Works Department should be overhauled and turned into an organization functioning on business lines. I think he said. If any business firm could cope with the multitudinous problems which confront the department, with the present-day shortage of materials, fluctuating prices and lack of trained supervisory staff to carry out works, all I can say is that they are welcome to try it.

Another point which he made, and quite wrongly, was to suggest that contract costs are affected by Public Works Department costs. Tenders for works are called in the open market and are based on what the contractor considers is a reasonable figure to execute the work with a margin of profit. Considering that the cost of materials for building has increased by almost 100 per cent, the comparative cost of executed work at the present time is very reasonable.

The hon. member referred to standards of construction. These in the past year have been reduced to a very considerable extent, and I am sure the hon. member will be pleased to learn that the fine dressing of stone—which I think he referred to as being "as smooth as a baby's cheek"—is being eradicated. In this connexion I would say that it is extraordinary how difficult it is to persuade an Indian fund—and for that matter a *misht*—to change his ideas in regard to stone finishing. The reason for re-dressing of stone is correlated to supply and demand. There has been in the past few years such a demand for building stone that the native cutters in the quarries in their attempt to produce more and more stone and thereby earn more and more money—for they are paid at a rate per 100 running feet—are not paying the necessary attention to squaring the faces and edges in the manner in which they should, with the result that in the majority of cases when the stone comes to the site it has to be re-dressed before it can be built into the building. You may say "Do not accept the stone," but if one did this one would have no stone at all owing to the demand being far in excess of the supply. I can assure the hon. member that steps have been taken to rectify this, and I am hopeful that in the future the necessity of re-dressing stone on the site will be removed.

Turning now to the question of "eternity houses", as I think the hon. member described them, I have already said that it is uneconomic to reduce building standards below a certain limit on account of maintenance costs, and I refuse to admit that mud and mortar joints, no matter how well pointed they may be, are a satisfactory form of construction. During the early stages of the war I had



[Mr. Boyd] was the unfortunate experience of being instructed to build low standard buildings to last for two or three years for housing masses of prisoners of war and so forth. It was thought at that time that this period was the maximum for which they would be required. As we all know, the camps were required for six to seven years, with the result that the majority of buildings had to be rebuilt at very considerable cost to a higher standard in order to last out the war. Had they been built to a reasonable standard in the first instance, many thousands of pounds would have been saved.

In advocating reasonable minimum standards, I am endeavouring to save Government from a similar experience and at the same time cut down recurrent costs of maintenance, which we are trying to avoid. If we build to low standards we will rue the day. It will be observed, if you look around, that local architects build to the same, if not a higher, standard than my department, and this applies in other towns as well as Nairobi. In fact, difficulty is experienced in persuading local architects to reduce their standards to conform to the economy standards that Government is endeavouring to adopt. There is an economic limit, however, to which standards can be reduced. Below this limit maintenance costs rise, and one is faced with high recurring charges which cannot be related to the original capital cost on an economic basis.

The hon. member quoted an extract from the Odes of Horace. I am glad he translated the quotation into English, as he is quite right in his assumption that I am not a Latinist. I always thought the correct term was "Latin scholar". I am an engineer, and although compelled to study Latin in my earlier youth in order to pass certain examinations and obtain an arts degree. I can assure the hon. member that I dropped it in favour of science and other technical subjects as soon as I was in a position to do so. (Laughter.) (A member: More useful, too!)

The hon. member mentioned that he built a five-bedroom house for £300. He did not mention when or where he carried out this remarkable feat, nor did he mention whether it was for European or African occupation. However, if it

was for European occupation, this constitutes seven main rooms in the house and all the other premises and outbuildings, as I cannot see any point in building five bedrooms without somewhere to sit and somewhere to dine. It also connotes the usual stores for the preparation of food and a kitchen. In other words, it connotes a minimum plinth area of somewhere in the neighbourhood of 1,500 super feet, which is quite normal for that number of rooms, and the cost per super foot would therefore be Sh. 4. I have no information as to the specification or type of house to which the hon. member has referred, but if he can achieve this remarkable feat in a modern properly constructed house with adequate foundations, and a suitable roof, it is high time that he joined my department and filled one of those gaps in the supervisory staff of which I have already complained. (Laughter.) (A member: Sweated labour!)

He referred to the costing system. The hon. member is a member of the Standing Finance Committee, and he will be aware as a member of that committee that this subject has been thoroughly investigated and that a report has been submitted by the consulting engineer to D.A.R.A. I sincerely hope that a suitable costing system will be evolved, as I am the biggest advocate of the principle of costing. Apart from other considerations, it would assist enormously in estimating. But I would warn the hon. member, and this is a point which I usually lost sight of, that if costing is to be effective it entails additional staff and without that additional staff one might as well give up the idea of close, accurate costing as known in the profession. I am not talking of keeping accounts.

The hon. member has referred to waste of public funds in rectifying certain mistakes. He raised the question of the weir on the Chania River. This happened over 18 months ago, in March, 1945; that is to say, before the war had ended, before V-E Day, when the question of supervision and staff was even more difficult than it is now. It occurred, incidentally, prior to the last budget debate. A full inquiry was held at the time, and the hon. member was given all the facts of the case. In fact, I myself held the inquiry, although I was not then in my present post. The fact was that the

[Mr. Boyd] in charge of the construction read the plan incorrectly, and the sub foreman in charge, who had a very large number of works to supervise in the area, was not in a position to visit that particular work for several days, and when he did he found that a mistake had been made. The cost of rectifying the fault was actually £27. In circumstances such as this, one can take the course of sacking the man concerned for inefficiency, but skilled or semi-skilled artisans at that time were by no means easy to come by, and one would not have achieved very much by sacking the man, for it would have merely meant one less man to do the work. The *mistri* was, however, severely reprimanded.

The hon. member referred to a bridge over the Karuru River on the Limuru D route. He stated that the district council concerned with building the bridge are sub-contractors of the Public Works Department. This is a completely erroneous conception. The road in question is a district road and is the concern of the district council. It is only in case of trunk roads that district councils undertake maintenance as agents or sub-contractors on behalf of my department—However, be that as it may, my department, or I myself, am responsible for ensuring that any bridges built by district councils throughout the colony conform to standard design and specification. The construction of the bridge in question was commenced without my cognizance or, for that matter, of any of the technical officers of my department, and it is therefore in my opinion somewhat unfair to lay the blame at the door of the Public Works Department. Nevertheless, it is common practice in the colony to blame the Public Works Department for anything that may go wrong or may be wrongly done—they must be responsible. Even if they are not, what does it matter? The department is there to be blamed. That attitude is all very well, but it is inclined to induce bitterness among the members of my staff, and what we need if we are to get this development programme carried out is co-operation, not antagonism.

The hon. Member for Kiambu quoted another example of the inefficiency of the Public Works Department in that

requiring some knowledge as to the correct mixture of cement to use in some work—I did not catch what it was—she crossed the road and inquired from some workmen reputedly from the Public Works Department, what mixture they were using, presumably for the same class of work. She did not receive a very definite answer, but it may interest her to know that I have no gangs engaged on work anywhere in the neighbourhood of her farm. (Laughter.)

MRS. WATKINS: On a point of explanation, it was on the Kiambu Road about 18 months ago.

MR. BOYD: That road is actually a district council road.

Referring to the question of the bridge, as the hon. member Archdeacon Beecher has made a point of raising it, I intend to give all the facts of the case, as I refuse to allow the blame to rest with my department. The old bridge over the Karuru River which was due for renewal had a clear span of 19 feet. The road engineer and myself went out on the Red Hill Road (Limuru D Route) to inspect, with a view to recommending to Government what steps should be taken and what funds were required to put that road in a reasonable state of repair, it having got into a bad state in the recent rains. On reaching the Karuru River we found a new bridge actually in course of construction up-stream of the existing bridge. On stopping and examining this bridge we found that a water pier was being constructed in the stream bed, and that the bridge was to consist of two seven-foot spans. That means that the water way was being impeded by a central pier, for which there was no necessity, and the actual opening for the passage of flood water was being reduced to five feet. That in itself is a rather ridiculous thing to do when building a new bridge. In view of this I gave instructions for the work to be stopped and an immediate investigation put in train, to ascertain why such a ridiculous form of construction was being adopted. It should be remembered that my department had not been consulted in the matter, although it is an accepted principle that a council must consult the department first. The answer was given that the district council engineer could not ob-

[Mr. Boyd]  
tain steel for the concrete span and decided on his own initiative to adopt other methods, which, in my opinion, might have had disastrous results. Had he consulted my department he would have been supplied with a standard design for a 20-foot span and I was in a position to supply him with the necessary steel to carry out the work in the way it has been done since.

I have taken up a good deal of the time of the Council explaining this particular case, but it is just another of those instances of "Blame the Public Works Department", being the easiest point to blame.

I should like to point out that the hon. Member for Kiambu has once again raised this same question by mentioning the Kiambu Road. I would emphasize that in the majority of cases the labour working on roads and new construction is not the responsibility of my department. The majority of the district roads in the settled areas were handed over to the district councils many years ago, and they are directly responsible for the supervision of labour, not my department. I may be responsible in certain circumstances for seeing that they carry out and utilize the funds in a suitable manner, but I am not responsible for the direct supervision of the labour.

One other point I would like to mention in connexion with these questions raised by the hon. member Archdeacon Beecher. He said: "How do I know that this type of thing is not going on throughout the colony?" Well, the answer to that is that I cannot know unless I tour the country looking for such things, but then surely the same remark applies to any walk in life and we might all ask the same question.

There are one or two other points in the hon. member's speech which require elucidation. But I have taken up too much time of the Council already. The hon. Member for Ukamba mentioned one in connexion with the windmill in the Masai Reserve. I was going to give a few facts about that. He has very effectively dealt with the matter when he stated that surely if we give them water and a windmill it is up to them to look after it. The actual facts are—I am making assumptions now—that the

windmill to which the hon. member Archdeacon Beecher made reference was at Matapatu. At the request of the Veterinary Department and the local native council we moved a windmill there in 1935 from Ngong, and the local native council accepted the responsibility for operation and maintenance. Once installed, the onus of maintaining and reporting any breakdown rests with the local native council. The procedure normally is that the district commissioner requests the divisional engineer to send out a man to repair the borehole equipment or windmill as a charge against local native council funds. This windmill was inspected by a foreman of water supplies in February of this year, and certain repair work was carried out in July. As the windmill was working in July there may be some doubt whether this is the mill to which the hon. member referred. However, neither my hydraulic engineer nor foreman of water supplies knows of any other. To emphasize what the hon. Member for Ukamba said, it is the responsibility of the local native council to look after assets when they are given them.

He also raised the question of labour finishing a task at 11 o'clock in the morning. I am not aware of an instance like that, but if he can give me specific instances I shall be glad to hear of them. I am aware of instances where Italian so-called co-operators were in the habit of knocking off at 11 or a similar time. We had great difficulty about it, and this may quite possibly have influenced a number of Africans into the same way of thinking. However, I can assure him that I have taken steps to rectify it. I would welcome any report of specific instances, otherwise there is no saying where this might end. After all, there is a considerable area of the colony where my labour is employed, and it is not easy to trace it down unless a member gives me specific information.

The hon. member also referred to the re-siting of the police lines at Mombasa, and the hon. Member for Mombasa collaborated with him in respect of finding a suitable site. The matter is one in which the hon. General Manager of the Railways will have to be consulted as the site is railway property, but I agree wholeheartedly with the report of the hon. members that the state of the

[Mr. Boyd]  
present police lines in Mzazi Moja is a disgrace and that a new site must be found. I formed the same conclusion many years ago. (Laughter.)

Turning to the question raised by the hon. Member for Central Area (Mr. Nalho) regarding hostels for Indian teacher training, I can assure him that the matter is being actively pursued, and working drawings are now ready and the bills of quantities are in course of preparation. It is hoped that tenders will be called early in the new year.

Referring once again to my hon. friend the Member for Kiambu in regard to the costs of housing, I feel I cannot do better than visit her farm where she has promised to show me how to build houses for next to nothing. If she can persuade me that the standards of housing adopted by my department are ridiculously high, to quote her own words, I am prepared to benefit by her experience, but I would request her what I have already said about building standards. She referred to other departments being in a position to build more accommodation for the money available—I think she said to a lower standard. I have no doubt they can, but they are usually in the happy position of having a man to supervise on the particular spot where they wish to build a house, the materials which they can extract from their own forests, in the case of the Forest Department, and the labour normally employed in the forests or in the neighbourhood. On the other hand, I am not in quite such a happy position when it comes to building that particular house. I have to find a supervisor and I may have to send him to one of these isolated spots where I have no facilities either for housing my labour or feeding them. I am quite prepared to co-operate with the departments concerned to produce the best possible building for the least possible cost, but I would point out that, while a forester or an agricultural officer, or for that matter an officer of any department, is busy executing building work he obviously cannot be giving full time to the work for which he is employed.

Mrs. WATKINS: On a point of explanation, they do it at the weekend and they do it in the evenings and in their lunch hour.

Mr. BOYD: Again, my hon. friend complains of lack of supervision. So do I. I have already explained that we are experiencing considerable difficulty in obtaining the right class of man for this work, and what is more my department is invariably expected to carry out work in excess of its ability to give adequate supervision.

Turning to the hon. Member for Trans Nzoia, he commented on the efforts of my department in respect of the Kitale Hospital. He did say that he did not wish to be parochial, but I rather feel perhaps he was in this instance, because the question of plans for one individual project cannot be considered except in conjunction with all the other projects which we have in hand at the present time. I am expected to produce plans for every conceivable type of building and for practically every Government department. In the case of the Kitale Hospital, the standard block which we have utilized for seven years has required a certain amount of amendment and bringing up to date, and this had to be done in consultation with the hon. Director of Medical Services. That in itself delayed the plans to a certain extent. In addition to this there was a certain amount of argument regarding layout and whether certain African staff should be housed on the site or in the native location. This all contributed to the delay in getting started on this particular work. I can assure the hon. member, however, that the divisional engineer has now had full instructions and plans, and I hope that he will see considerable progress even before the end of this year.

He complained bitterly of the slow rate of progress generally, and to strengthen his argument he went back over a year ago to the time when we were constructing the Kitale post office.

I agree that the rate of output in many of these places is lamentable. He quoted that the average brick-layer should lay 800 to a thousand bricks in a straight wall in an ordinary day's work. I am not going to cross swords with him on that.

That is a highish rate but it is accepted that the average brick-layer in England should lay two cubic yards of brick work in a straight wall in a ten-hour working day. Two cubic yards is equal to about 800 bricks, but whether he could do that in this country and keep it up for any

[Mr. Boyd] length of time I am not at all certain. However, I am not arguing that point, I admit the rate of output in the case of the Indian *fundi* is very low. He only lays about 250 bricks a day on the average, but we are doing our best to get that up and I hope we shall be successful, but I do not think we shall ever get it up to what is the equivalent of 800 bricks in a ten-hour day; that is 640 bricks in an eight-hour day. However, if we get it up a bit it will be something. There is, I fear, a tendency to go slow in artisan work at the moment. As the *fundi* knows quite well, there are not a great number of skilled artisans available, and he is pretty well assured of work, no matter what his output.

He mentioned a point which rather perturbed me, and if he would substantiate it I should be very glad to take it up. He stated that my labour was paid by the month irrespective of the number of days worked. I am not aware of that. Actually the department's labour is paid on a muster roll and the days worked are taken from the ordinary labour ticket, or at any rate that is the correct procedure. If, as I say, the hon. member can substantiate this statement I should be very glad to hear of it and to take such steps as are necessary to rectify the situation. He went on to say that wages were paid prior to the end of the month. My divisional accountants normally pay in the first week of the following month and those are their instructions with one exception, and that is in December. In accordance with financial regulations, in order that all wages shall be paid before the end of the financial year, it is necessary to pay December wages round about the 27th December. That has been normal practice for years. We cannot avoid it.

His further allegation that quantities of materials which may be delivered on a site in excess of what are actually required for any given work must be retained on that particular work is, in my opinion, sheer nonsense. If materials are in excess of requirements and happen to have been delivered on the site, or there is a change in the size of the building, or some such amendment, then the excess materials are transferred to other works in the district and the necessary journal entries are passed.

Just as a last remark to the hon. Member for Trans Nzoia, if I had time to visit his farm, which I should very much like to do—as I understand it is the epitome of efficient organization (laughter)—I wonder if I would find the odd employee asleep under a bush, or at any rate working at half pressure! When all is said and done it boils down to supervision.

Now I turn to the question raised by the hon. Member for Eastern Area, Dr. Rana, and I can inform him that so far as the Mariakani-Rabai water supply is concerned, a contract for boring was entered into, but it has not yet proved possible to allocate a boring machine to this project in view of higher priorities in other parts of the colony. With regard to the dispensary at Mariakani, I have no doubt that my hon. friend the Director of Medical Services will give consideration to the provision of this in due course. The question of coast roads in the Kaloleni-Tana river area which I think you, sir, mentioned at a recent baraza at the coast, is also under investigation, and the Mombasa-Tanga road has been the subject of discussion in the Central Roads and Traffic Board recently, but no decision has actually been reached except to ask for the advice of the Coast Advisory Committee. I think those answers, cover all the points raised by the hon. Member for Eastern Area.

The hon. Member for Western Area, Mr. Pritam, who I regret to see is not here, referred to lack of maintenance on the access road to Kibos. The funds for the maintenance of this road are provided by the Central Kavirondo Local Native Council and they amount to the very enormous sum of £15 per annum! By arrangement with that Council, my department carries out, or endeavours to carry out, maintenance of that short stretch of road with the funds, which are, of course, totally inadequate. There is a considerable amount, as I understand it, of farm wagon traffic on that road and that is what is doing the damage, so on representations being made by my divisional engineer in Kiambu, funds were included in the Local Native Council estimates to an extent of, I think, £75, for building a wagon track and for a certain amount of drainage and cleaning up of that road, and this amount was included in the 1946 Council's estimates.

[Mr. Boyd] but I regret to say it was cut out, so we are now back to the £15 per annum, which is inadequate. I can only suggest that the hon. member should press for this provision of £75, and then we might be in a position to improve the road.

The hon. Member for Ukamba, in his recent speech, mentioned, and I am very glad he did, the question of heavy lorries damaging roads and quoted the enormous increase in the number of lorries in this Colony and compared it with, I think, the year 1932. That is the case, and that is what we are suffering from in endeavouring to maintain roads where the intensity of traffic has increased enormously. I do support him in his contention that we should do something to endeavour to derive money from those people who are damaging the roads. I think there is a general move in that direction at the present time.

In conclusion, I should like once again to thank hon. members on the other side of Council for their co-operation, and to state that every endeavour is being made on my part to reorganize the Public Works Department and bring it to a state of efficiency capable of carrying out the very large programme of work which lies ahead of it. I would ask, however, for a measure of patience as, with the present supply position and present shortage of supplies throughout the world we cannot work miracles.

I beg to support the motion.

DR. MACLENNAN: Your Excellency, during the course of the debate so far there has been very little detailed criticism of the department which I have the honour to represent in this Council. Perhaps the reason for that may lie in the old adage that medical men bury their mistakes! However, such criticism as there has been I will endeavour to answer, and I have no doubt during a later stage of the debate such further criticism as there may be will be very ably answered by my hon. friend on my right (Mr. Mortimer) who will, as Member for Health and Local Government, probably make amends for any sins of omission I may commit. I shall endeavour to answer some of the questions which have been raised by hon. members in the order of their raising, and later on I should like to draw attention to some of the more

interesting work the department is carrying out, or has carried out, during the course of the last year and is intending to carry on in the future.

The hon. member Mr. Thakore drew attention, and I think all members representing Asian interests on this Council have drawn attention, to the lack of Asian accommodation and to the inferior type of Asian hospital accommodation throughout the hospitals in this country. I have a great deal of sympathy with them in what they say. As we all know, many of the old hospitals in this country have served their turn, and certainly much of the Asian accommodation is far from satisfactory. The hon. member Mr. Nathoo referred to Asian hospital accommodation in general and to Nairobi in particular. I should like to say, in connexion with Asian hospital accommodation, that the general picture is improving, and I think it is not altogether Government's fault. I believe that had it not been for the war and the occupation of the first African block of the group hospital, Nairobi, now known as No. 67, we would have made greater progress with that group hospital, and the Asian block which we contemplate building there would have been well on its way to completion to-day. We have also plans for improving Asian accommodation at Kiambu if the D.A.R.A. estimates are approved. Plans are already in being for the improvement of Asian accommodation at Nakuru. A scheme is already in course of preparation for a ward at Nyeri, and I think that in 1947 there are prospects of improved Asian accommodation in the hospital there. Again, if the D.A.R.A. estimates are approved, a fairly high priority, I think, will be given to the Mombasa hospital, where, as everybody knows, the matter is of some degree of urgency.

The hon. member also mentioned certain bequests, and I can assure him that they are now being taken care of. I refer to a bequest for the Pandya Memorial Clinic, which has already been brought into operation under a representative committee in Mombasa, where excellent temporary accommodation has already been provided pending the erection of a permanent building later. The other bequests in connexion with Nairobi and Mombasa I have already referred to.

[Dr. MacLennan]

The hon. member Ardechaon Beecher made passing reference to medical services in the Masai Reserve and in the Northern Frontier District. I am sure he understands, as we all do, how difficult it is to provide efficient medical services in areas where the indigenous population is still in the nomadic stage. We have in the Masai reserve two fairly good hospitals, one at Narok under a medical officer and nursing sister, and one at Kijijado. These hospitals provide approximately 90 beds each. In the Northern Frontier District, where I have recently made an extensive safari, I found fairly reasonable medical services. Both at Wajir and Moyale there are fairly good hospitals, and there are subsidiary centres at Mandera, Marsabit, Garissa, Garba Tula and so on. The main problems of health in these two districts are, of course, lack of water supplies and the question of venereal disease. I can assure hon. members that the latter question is one which I am taking up most assiduously, and arrangements have already been made for these people to have certain other services to ameliorate their condition.

The hon. Member for Kiambu raised the question of capital expenditure on the proposed new native hospital, and I proposed to leave that question since it will be answered at a later stage in the debate. She was concerned about the training of midwives, and deplored the fact that Government had not proceeded with the new school at Kisumu. The training of midwives in Kenya is carried out by the municipalities of Nairobi and Mombasa; that has been done in the past and is still continuing, and is done very efficiently indeed, particularly in Nairobi, where a good maternity hospital is available. It is considered that this important work should be centred in these two towns, that is in Nairobi and Mombasa, but particularly in Nairobi where trained staff is available and where the opening up of additional accommodation has already received, I think, the approval of Government and financial assistance.

**MRS. WATKINS:** On a point of explanation, the African women will not come down to Nairobi from upcountry; they are not allowed to.

**DR. MACLENNAN:** I should say that if our proposal for a training school in Nairobi for all Africans is proceeded with, and it is one of our highest priorities in D.A.R.A., I propose that there shall be a hostel there with a nursing sister in charge, which will provide the necessary accommodation for African girls coming down to Nairobi from upcountry. I have already received promises that if we do that the missions, at any rate, would supply personnel for training.

The question of tuberculosis was also raised by the hon. Member for Kiambu, and I will refer first to the suggestion, and a very generous and liberal suggestion it was—the made about opening an institution in this country for ex-service-men who have been stricken with tuberculosis. I may say that I have been in touch with the Kenya branch of the Red Cross on this point, and they have already offered such assistance to the Imperial Government through the British Red Cross Society. The reply has been that, after consultation with the Ministry of Pensions and the Ministry of Health, the practical difficulties of establishing such a convalescent home, both in South Africa, who also offered such facilities, and in Kenya, are too many, and while the project is an admirable one, it cannot be proceeded with.

With regard to tuberculosis generally, I do not wish to go any further at this stage. The whole problem is a very serious one indeed, and little has been done in the Central and East African territories. We know that when you have white civilization among an indigenous population tuberculosis is always a problem, and while I have had a good deal of experience in other colonies in respect of tuberculosis, I have seen very serious mistakes made and much money wasted and I should prefer to have some time to consider this problem before I offer any advice to this Council as to how it should be tackled.

Mr. hon. colleague and friend, Dr. Bana suggested an increase in the number of sub-assistant surgeons and, while I admit very much the work they have done in this country—we employ 35 of them at the moment—I would rather see an increase made in the number of Asian medical officers among whom a higher standard of work is obtained. Provision is made in the budget for this at present.

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He also referred to the water supply at Mariakani, which has already been dealt with by my hon. friend the Director of Public Works. With regard to the dispensary at Mariakani this dispensary is now the responsibility of the Local Native Council, and as Mariakani is on the borderland between the councils, it will have to be a question for them agreeing to site the dispensary at Mariakani as at Mazeras. I have no doubt that a dispensary at Mazeras will go forward this year, but I will take up the question of Mariakani with the Chief Native Commissioner in due course.

He also referred to the provision of a school medical service. The hon. member will see that we have made good provision in D.A.R.A. for a school medical service for all races, and it will depend on the financial priority this medical service gets. Personally, I am greatly in favour of it. I believe an attempt was made to establish one as far back as 1930, but owing to severe economic depression at that time it had to be abandoned.

I should have liked to have dealt with the recurrent estimates, because I am very apprehensive and anxious about them. I would say first of all, for the information of Council, that if any D.A.R.A. schemes proceed during the forthcoming year additional expenditure will have to be found. There is nothing in the budget to provide for D.A.R.A. services whatever, and had I had time I would have dealt with the departmental estimates for 1947, for we have tremendous commitments during the year.

**HIS EXCELLENCY:** There is no need for you to finish this morning, and I hope you will not try as you have many things to say.

**DR. MACLENNAN:** In that case I could stop now and go on to-morrow?

**HIS EXCELLENCY:** Certainly, I am sure the hon. member has most important things to say, and it would be a great pity if he was hampered for time.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Thursday, 28th November, 1946.

**Thursday, 28th November, 1946**

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 28th November, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 27th November, 1946, were confirmed.

#### PAPERS LAID

The following paper was laid on the table:—

By Mr. TROUGHTON:

Police Terms of Service Committee Report.

#### ORAL ANSWERS TO QUESTIONS

• No. 82.—MAKUENI WAKAMBA SETTLEMENT SCHEME

SIR ALFRED VINCENT:

1. What has been the cost to date of the Makueni Wakamba Settlement Scheme?

2. What is the estimated further cost for completion of the scheme?

3. When completed, how many families is it considered could be put into this area?

4. How many rhino have been shot to date?

**MAJOR CAVENDISH-BENTINCK:**

1. The cost of the Makueni Settlement Scheme up to the 19th November, 1946, is £16,535/15/6d.

2. £93,500.

3. 1,800, but that is still subject to review.

4. £25, from July to October, 1946.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE

The debate was continued.

**DR. MACLENNAN (continuing):** Your Excellency, when the debate was adjourned yesterday I had answered, as far as I was competent to do so, the various questions raised by hon. members during the course of the debate. I had not intended referring in any way to the departmental estimates, but since the hon.

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and gallant Member for Ukamba referred to the large increases in the budget, I feel it is my duty to try and explain to hon. members how these increases have occurred. But before doing so, with your permission, sir, I should like to say that I omitted during my remarks yesterday a small matter which I wish to raise again.

I referred to the question of Asian hospital accommodation and particularly to the question raised by the hon. member Mr. Nathoo regarding bequests. I think I said that the Waljee Hirje bequest of £60,000 to Nairobi is to be incorporated in the group hospital scheme, but I should like to add that plans are now advanced for that scheme. We have to thank the Government architect for the very valuable work he has done in preparing plans for that group hospital, and I should like to say to the hon. member, and in fact to members of this Council generally, that if any of them care to see these plans, which are, I consider, very excellent indeed, they may see them at any time in my office. I shall be only too glad if they come along and see them, because I think they might be interested in what we are proposing to do in Nairobi.

I turn now to the question of my estimates. The hon. Member for Ukamba, in his remarks, stated that the departmental budget had been doubled since 1932. I do not know why my department was specially singled out for that, because there are about seven departments of Government which have doubled their budgets in the same period. However, I shall try to explain what has happened and I should also like to point out . . .

MAJOR JOYCE: On a point of explanation, the date I used was 1942, but I may have been incorrect.

DR. MACLENNAN: Well, the same remarks apply. Actually, during the war years, I think about seven departments of Government doubled their budgets. In any case the value of the £ is only about half what it was before the war! (Laughter.) I have to say that our recurrent expenditure for 1947 shows an increase of about £32,000 over and above that of 1946—I mean the current expenditure in the Draft Estimates for 1947

—and a reduction in the extraordinary vote of £4,000. I should like to say here quite candidly that this increase does not provide for any new developments, but only for existing commitments. We have gone through these estimates with a fine comb and we cannot see any way in which they can be reduced; that is to say, if the efficiency of the department is to be maintained.

Let me examine the main increases over and above 1946; but before doing so I should like to say this, that the establishment of medical officers was reduced I think in the year 1932 from 76 to 61 and has remained at that level ever since. In these days there was included in the department a strong Health or Sanitation Division, as it was then termed. This has disappeared and has never been replaced, and we have never recruited a trained health officer since. During the ensuing period, that is to say from the year 1931 when the economic crisis developed, all sections of the community, and particularly the African section, have become increasingly hospital minded, and practically all the hospitals are full to overflowing. The same may be said of the out-patient departments and dispensaries where long queues are the order of the day. During the war years the number of hospital beds has been increased from 2,278 in 1939 to 4,359 in 1946—an increase of over 2,000 or 100 per cent. Of these approximately a thousand have been added during the last 18 months. I do not like using hospital beds as a yardstick of what the department is doing, because it does not give an indication of all the other activities of the department, but it certainly gives us figures to go on, and it can be taken as some indication of the increasing work of the department during the years concerned.

During the past few years it has been found quite impossible to carry on with the existing staff, and the practice has been to employ temporary officers, and I am glad to say at this stage how deeply we are indebted to those temporary officers for the valuable services they have rendered to Government. I refer to aliens, Poles and Italians and others, who have given us loyal and devoted service during those years. Now we are losing all these temporary officers, and where are we to find replacements for

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them—about a dozen? I am asking if the 1947 Estimates for my seven more medical officers—only seven to replace the twelve temporary officers that we have been employing during the war years. A reduction in the block allocation for these temporary officers has been made to offset the costs of the seven new officers we intend to recruit. The same remarks apply to nursing sisters, and here again I should like to pay a tribute to those nurses who rendered us such loyal and efficient service in a temporary capacity during the war years when the department was practically at its wits' end to keep things going. The block allocation for temporary nursing staff has been reduced, and we are asking for only five additional nursing sisters.

How are the main increases in the budget to be accounted for? The enormous increase in hospital beds, a thousand during the last 18 months—requires staff and equipment, hospital assistants, compounders, laboratory assistants, clerks, cooks, etc., and the figure for that stands at £6,400. I am taking round figures to the nearest £100. A great deal of that staff has already been employed during the year; they had to be employed, otherwise we could not have carried on. We have built hospitals during the year, we have increased the wards in various hospitals and we have just managed to carry on. We have commitments already for a great deal of that staff during 1947. We have built during the year hospitals at Londiani and Molo; we are adding hospitals at Makindu and Limuru in 1947. All these hospitals have to have staff and equipment provided for them. I should like to say that among the increased African staff there are 60 ex-askaris who are doing extremely good work in the department. (Hear, hear.) In any department with an enormous establishment such as the Medical the normal increments of salary provide an astonishing figure. The increase in normal increments alone for 1947 is £5,500. Again we have the leave pay of retiring officers, which is a big figure, £2,000. Increased hospital accommodation also means increased domestic charges, such as electric light, water and so on. The increase in the

work of the Medical Research Laboratory represents a figure of about £3,000—these are all round figures as I do not want to worry members with pounds, shillings and pence. With that increase in staff the cost of living allowances has gone up too. The figure for my department is £3,000. Increased travelling is consequential, and that figure is in the neighbourhood of about £1,000. I have not yet referred to a major increase—that is to say medical stores, drugs and equipment, which shows an increase of £13,000, part of which I shall shortly refer to in a rather special way.

Leaving out extra medical officers and nursing sisters, the increased provision for which is offset by appropriate reductions, the items which I referred to and which I say are unavoidable if the efficiency of the department is to be maintained, total about £29,000. That is the figure showing the increase in the budget over the year 1946. Perhaps I have unduly stressed this point, but I do so intentionally, since if any of the D.A.R.A. schemes are initiated in 1947 additional recurrent expenditure is absolutely necessary. It is impossible to initiate any measure advocated in the development programme otherwise. I am particularly anxious that if the D.A.R.A. programme is approved by Council, and I think most members on the other side of Council have already given it their blessing, a start should be made on certain of the medical and health projects in 1947 for more reasons than one. One particular reason is this. I have recently received information from the Colonial Office that recruitment at the moment is going well. A great many young medical officers and trained officers have left the Army recently or are intending to do so. Many of them have not yet made up their minds as to their future careers, and many of them who have been trained and have had experience of tropical medicine intend to come to the colonial service. We have already got one or two of these officers, and very fine officers they are. I know the Kenya service has always been a popular one. People like to come here, it is a good service and has a fine reputation in the colonial service generally. I believe we can get a few good officers if we recruit early. If we do not we may lose them. I should

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like to see some provision made to recruit personnel, even if we do not get them till later on in the year. Sufficient provision, I think, should be made in the Estimates for at least half the salaries of that personnel in 1947.

I feel I have been rather a lugubrious Jeremiah on the Estimates, and I should now like to turn to something which may be of interest, to this Council in particular, and perhaps to the public in general. The hon. Financial Secretary said during his opening speech on the motion before Council that a certain item in the medical budget had been increased to provide for supplies of D.D.T. and penicillin, and I should like to inform this Council what we are doing with these preparations and what we propose to do.

It is my duty as medical adviser to this Government to keep myself informed as far as possible as to the new preparations which are coming into the medical picture, and I was fortunate last year in being invited to the United States of America by the Rockefeller Foundation and the United States Public Health Service, where, inter alia, I was privileged to see a great deal of the work on these two preparations, if one might call them that, which really are probably the two most powerful weapons that have been added to the medical armamentarium in the history of medicine. I wish to say to begin with that, from what I have seen in the States—and they are very much ahead of us in the use of these preparations—and from what I have seen of the figures which have been provided during the war on all fronts, we are definitely bound to use these preparations in this country, because without them we would fall far behind all other countries to-day. I should like to say this also, lest there is an anxiety in this country, that D.D.T. is not going to supersede pyrethrum; that is quite definite. The two preparations are complementary, and I shall explain that in a minute.

While I am on the subject of pyrethrum I would say that recent work in our laboratory with specimens of locally produced pyrethrum has provided the information that the Kenya product has a potential insecticidal value of 174 per

cent more than that required by American standards. I think that is really rather a useful piece of information, to know that our pyrethrum product in Kenya is of such a high value. As we all know, pyrethrum has that quick knock-down value which D.D.T. has not, and it will for all time, I think, be a valuable insecticide, particularly for domestic purposes. As you know, it is powerful insecticidal against flies, which are the potential carriers of a great group of diseases, and mosquitoes, which are the carriers of yellow fever, malaria, dengue, filariasis and other diseases. D.D.T., on the other hand, has a residual value, but it has not got that quick knock-down value which pyrethrum has. It has a residual value which may be used for prolonged periods of exposure. Its use is also going to be considerable in the field, particularly, I think, from experiments which have already been carried out in Uganda and also in South Africa, against the tsetse fly.

My hon. colleague, Dr. Rana, referred to the relapsing fever epidemic which occurred on the coast of Kenya towards the end of last year and congratulated the department on its works in connexion with the control of that epidemic. I thank him very much for his remarks, which I am sure will be appreciated by the department. I should just like to mention that epidemic, because relapsing fever has in the past caused tremendous epidemics in parts of Africa, notably North Africa, and it has on occasion caused epidemics, one I think after the last war in French North Africa, involving the loss of 100,000 lives. In 1945, in North Africa again, an epidemic of relapsing fever of this type broke out, involving 40,000 cases, and during the latter part of 1945 and the early part of this year an epidemic occurred in Egypt, causing over 100,000 cases and upsetting the economy of the country to some extent. This epidemic of ours on the coast was explosive in outbreak and of unparalleled ferocity, or perhaps I might say in these days, of atomic violence. Before we knew where we were we had about 2,000 cases with a 40 per cent death rate. It seemed to us that unless steps were taken immediately, the epidemic might spread to the whole of Kenya and would upset the economy of

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the country. I need not go into the steps that were taken. Briefly, they were the establishment of a cordon sanitaire round the periphery of the whole infected area. We went in with D.D.T. and D.D.T.'d it, and no carriers of that disease were allowed to leave that area. It died down in three months, and so far there has been no recurrence of the disease. (Applause.) In connexion with this, I should like to take the opportunity of thanking the administrative officers who assisted us during that rather worrying period, the military authorities who assisted us, and the C.M.S. Mission authorities at Kaloleni Hospital who gave us all the help and assistance they could. (Applause.) So much for relapsing fever.

There is in Nyanza Province, between Kisumu and Lake Victoria, an area called "the country of the blind". This area has been afflicted with a dreadful disease for many years. The disease is carried by a small biting fly which carries microfilaria, a small worm which invades the whole system, particularly the eyes, causing temporary and in many cases permanent blindness. There are thousands of these blind people in this area. So bad had the disease become that that area, which was a prospecting mining area, had to be closed to operation during the year 1939. This disease occurs in many parts of Africa, and it has resisted all preventive treatment measures that have been tried out anywhere at all. It seemed to us that with D.D.T. we might have a shot at attempting the prevention or control of this disease. I need not go into the details of the experiment—they are complicated and difficult—but I will say this, that the experiment started (if I should not call it an experiment, because it is an accomplishment) in the early part of this year. The fly has disappeared entirely from that area, and the area is unlikely to be reinfested as the fly does not depart very far from its natural breeding places. We have not been able to find a single fly in that area for the last nine months. (Applause.) Not only that, but if hon. members care to refer to Government Notice No. 980 of the 5th November, 1946, they will see—and I am sorry that the hon. Member for Nyanza is not here—that the area has

now been reopened to prospecting and mining.

We have still to find a cure for the disease. We have found a prevention, we still have to find the cure, and I have great pleasure in informing the Council that a distinguished member of the Colonial Medical Research Committee is coming here in the new year at the expense of that Committee to bring out some new therapeutic preparation which I hope will be of some value in curing these unfortunate victims. We have a prevention, I feel sure, and we hope to get the cure as well.

For some years the department has been extremely anxious regarding the spread of malaria in various parts of the Kenya Highlands. In some areas epidemics have been severe with high mortality. In 1944 malaria reached Timbora, at the unprecedented altitude of 8,000 ft. The menace to the health of the community can hardly be exaggerated. He again, we felt that we must try out D.D.T. and establish some method of preventing this disease spreading in the Highlands, and an experiment has been carried out in the Kericho area during the year. The experiment is not complete, because it will have to continue for some considerable time. This experiment has again been financed by the Colonial Development and Welfare Fund, with the advice of the Colonial Medical Research Committee. The experiment involved the impregnation of 2,000 huts and a follow up of cases during the epidemic periods. So far the results have been extraordinarily good. In the whole of the area impregnated with D.D.T. there has been no epidemic at all and a little malaria, whereas in the normal areas there was a high incidence. I feel sure that there is something here to prevent malaria spreading throughout the important areas of the country.

Our future programme, if staff permits, is to continue this work on the eye disease which I have referred to—which rejoices in the name of onchocerciasis—in the Kakamega-Kisumu area, which ought to be tackled during the year. Lest there is any fear that there is destruction by D.D.T. of beneficial fauna, the only thing that we have noticed so far is the destruction of a few fish, which have subsequently reintroduced themselves



[Dr. MacLennan] into the area concerned through the upper and lower reaches of the streams. I need hardly say for the gratification of the disciples of Izaak Walton that there is no need to be afraid, as I am one myself, and these are not trout streams!

We have a younger brother to D.D.T., gammexane, rapidly coming into the picture, and in some respects, regarding ticks and other resistant insects, is several hundred times as lethal. No doubt when this preparation comes into use our experiments may be enhanced considerably.

I will now refer shortly to penicillin, and I could speak at length on this, but I will reserve this for another forum where finance is not such an important feature. Penicillin is probably one of the greatest discoveries in the history of medicine, one of the greatest curative preparations that we have; it is also a very important preventive preparation. There is no borderland in preventive and curative medicine. Take diseases like cerebro-spinal meningitis and venereal disease. If you want to prevent them—and setting aside the moral issues with which I am not concerned—penicillin is one of the most valuable agents possible. One of our great problems in this country, and in all countries after a war, is venereal disease. It is known throughout history that after any war the incidence of venereal disease goes up, and the estimates of its incidence in some cases are rather frightening. Here we have in our reserves an increasing incidence of it, and if it is allowed to spread we are going to have great difficulties in reducing it to normal rates. Another feature of penicillin which may interest members is, I think that it will reduce to some extent the number of bed days in hospitals for patients. As I have already pointed out, our hospitals are overflowing and we cannot possibly cope with the pressure on the beds, but penicillin will reduce the bed incidence. That is to say, cases which normally spend three to four weeks or months in hospital can be treated rapidly with penicillin and cured, and, furthermore, we can treat a great many patients as out-patients instead of admitting them to hospital wards.

I think I have very little more to say. I should like, in conclusion, to return

again to the D.A.R.A. recurrent expenditure. I do not think the department is extravagant. Our department is sometimes classed with social services. We are performing social services, and part of our work is social medicine, but medical services, I consider, are, apart altogether from social services, essential services, and we cannot do without them. I feel that if hon. members will support me and let me have at least something to go on with next year, I, and I think the whole country would be happy. There is very good stuff indeed in D.A.R.A., and if I get something next year to carry on with and make a start with equipment and personnel, I should be inclined to alter the spelling of the epithet which has been applied in this Council to D.A.R.A. to "Pearl". This debate has been famous—or rather notorious—for its quotations, and I should like to add to that notoriety, because I think it may help members, and particularly members of the Standing Finance Committee when they come to consider my estimates. (Laughter.) It is a quotation made by one of our greatest Prime Ministers, Disraeli, in the days when the laws of health were not understood as well as they are to-day, and it is: "Public health is the foundation upon which rests the happiness of the people and the welfare of the nation. The care of the public health is the first duty of the statesman". (Applause.)

Mr. ROBBINS: Your Excellency, before I reply to some of the questions raised by hon. members on the other side concerning geological surveys and mining. I would like to reply to points raised by the hon. member Mr. Nathoo on the subject of rent control.

As some hon. members may wonder what rent control has got to do with lands, mines and surveys, I would like to personally explain that, as part of a spare-time job during the war, I have been responsible in some measure for the administration of what I am sure the hon. Attorney General will not mind me calling a very complicated piece of legislation. (Laughter.) In 1943 the principal ordinance was considerably amended with the object of removing some anomalies which were found in the machinery. It also made provision for the setting up of rent control boards which were given powers throughout the

[Mr. Robbins] to investigate and adjudicate upon disputes between landlords and tenants; also to fix reasonable rents both in respect of residential and business properties. I have been a member of the Rent Control Board for the Central Province since its inception in 1943, and during the past few months its chairman, and I therefore make no apology for replying to the points which the hon. member has raised.

I would like at the outset to say that I agree with him entirely when he says that this particular control must be retained. I would like also to associate myself with the remarks he made in paying tribute to those members of the Rent Control Boards who have given, during the past few years, so generously of their time in carrying out the arduous task imposed on them. It was not to be expected that all their decisions would find favour among both landlords and tenants. That, perhaps, was asking for the impossible. But I can assure hon. members that, from my own personal experience, these boards have carried out with fairness and the utmost care the examination and adjudication of all complaints which have come before them.

The hon. member Mr. Nathoo referred, I think, to further anomalies which he said he thought ought to be rectified. In particular, I think he referred to the position of the landlord who had purchased a house during the war and was not allowed to charge a rent up to a maximum of 10 per cent based on the present value of that property and, therefore is at a disadvantage compared with the landlord who has built a house since the beginning of the war. Well, I am happy to be able to point out to the hon. member that this is an anomaly the existence of which was recognized some three years ago, and this Council was asked to rectify, which it did under the amending ordinance to which I have referred. The concession has been granted to landlords, who had not been able to charge more than the rent which was permissible as at 3rd September, 1939, where they can show that the rent was less than 7 per cent; they could go into the matter and have their rent reassessed at a reasonable figure up to a maximum of 10 per cent. I submit that any landlord in these days, or any

other investor for that matter, who is getting between 7 and 10 per cent return on his investment is doing very well.

I would like to say that Rent Restriction Acts have been in existence in the United Kingdom since the 1914-1918 war in respect of certain properties which are of specified rateable value. I am not pessimistic to think that our rent control will have to last as long as that, but I do say that until the gap between building and increased population has been considerably narrowed it will not be possible to give any consideration to the abolition of this control, and in this connexion I need only illustrate that point by referring to the figures given to us by the hon. Member for Nairobi North who, in another place, in connexion with another budget resolution, gave us figures showing that the Nairobi population alone has increased by 100 per cent since 1939. I was glad to see that the Nairobi Chamber of Commerce and the East African Association of Chambers of Commerce recently passed a resolution endorsing public opinion, to the effect that this control should be retained, and the hon. member Mr. Nathoo is on very good ground and in good company. I did hear one dissentient note on the subject of this particular control on the other side, and I think it came from the hon. Member for the Western Area. I think he, with a sweep of the broom, would clear away every control in the country, and in that I think he is included rent control. All I can say is that he seems to be enjoying a splendid isolation of a minority of one.

Turing now to my departmental responsibilities, I am glad that so much interest has been shown on the other side of Council in geological surveys and mining generally, and I welcome this opportunity to say something about geological surveys and mining throughout the country. It is an unfortunate fact that the past history of mining in this Colony has been very in and out. In other words, we have had our disappointments. Many interesting discoveries have been made from time to time which at that particular time were very promising. Unfortunately, some of those hopes have not always been fulfilled, with the result that at the present time we have not got the number of established mines in the Colony which



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we would like to see. It is also a fact that, during the past five or six years, the production of gold in the Colony has fallen very considerably by a matter of about 50 per cent, due to a variety of reasons connected with the war. Much work, therefore, remains to be done and a great deal of leeway will have to be made up if we are to increase the production of economic minerals and precious metals throughout the Colony.

In the first place, I am repeating what has already been brought to the notice of this Council both in the Development Committee report and by the hon. Financial Secretary in introducing the budget, where first priority for a geological survey of the whole country is asked for. That is essential, because until we know where to look for minerals, prospecting might be compared with looking for a needle in a haystack. The next essential is staff and equipment to be made available for reproducing the geological maps, and I am glad to be able to inform the Council that Government has recently completed negotiations with the military authorities for the purchase of the equipment and machinery of the East African Survey Group. Members will recall the very beautiful maps full of information which were produced during the war by that unit and which have recently become available for sale to the public, and arrangements have been made for the purchase of that equipment and machinery. Arrangements have also been made to carry on the work for the time being until more permanent premises can be obtained, on their existing site.

With regard to our geological programme, a five-year plan was prepared departmentally in 1944 which contained proposals for the completion of a geological survey of the whole Colony. About the same time a committee, called the Colonial Surveys Committee, published a report, and at the risk of still further boring Council with extracts I would like to read a short extract from that report. It says: "Taken together with the proposals for geodesic and topographical surveys, these proposals constitute in the opinion of the Committee an unrivalled opportunity for providing the Colonies with a thorough and accurate basic knowledge of their most important

material resources. Geological survey is by no means valuable only for the exploitation of mineral resources. It is the basis for soil surveys, and thus for the application on a grand scale of the great advances in soil science which recent fundamental discoveries are rendering possible. Together with accurate topographical surveys, moreover, geological surveys render possible the systematic estimation and exploitation of underground water resources, a matter of great importance for many areas which enjoy only an inadequate or uncertain rainfall". Well, sir, that is a statement with which I think we all agree, but it is another matter to obtain staff to carry out these proposals. We have heard a great deal during the past few years about that much abused expression "shortage of consumer goods", and it seems to me that for the time being at any rate scientific man power has also disappeared. The reasons, of course, are not far to seek. During the war very few men have been trained in geology or to become land surveyors, and therefore, as it takes from three to four years to turn out a trained man from a training school, another year or so must elapse before the position shows any sign of improvement.

I have painted a rather black picture in these few remarks about staff, but I can assure Council that every effort is being made, and will continue to be made, in order to obtain the men that we need. So far as geologists are concerned, we have been fortunate in securing a geologist from another colony, and he has just recently arrived here. He, together with another geologist who arrived at the beginning of the year, have now made a start on carrying out small geological surveys in various promising areas throughout the Colony, and we hope that this work will progressively increase as we obtain the necessary staff.

This work forms part of our present geological plan to which I have referred, and will continue either on a regional Kenya basis or, later on, as part of the inter-territorial organization for a geological mapping of the country.

I gathered from the remarks of the hon. Member for Nyanza, who unfortunately does not appear to be in his seat at the moment, that he is of the

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opinion that we have not availed ourselves at all times of every opportunity that came before us to engage the necessary staff, and he spoke of instances which he alleged showed that we had lost the services of a geologist and mining consultant which we might have had had we been alive to the fact. That is not the case at all and I would like to give the actual facts. With regard to the geologist referred to as recently looking about the countryside for fossilized remains, I think he was referring to a man who happens to be a permanent member of the teaching staff of the Imperial College of Science and Technology and the Royal School of Mines. We were fortunate enough to obtain his secondment during the war when there was little teaching going on, to help us out with some geological mapping. At the end of the war, his secondment came to an end, and despite our efforts to retain his services in this colony he and his employers were adamant, and we were unable to retain him on a permanent basis. The explanation of this officer's flying visit to the colony a matter of a few weeks ago is that, at the express invitation of the Archeological Society, he came here during his vacation, which he gave up in order to make an archeological report.

As to the mining consultant mentioned by the hon. member, the facts are that towards the end of last year this Government entered into an arrangement with the Tanganyika Government whereby after certain work had been done for that Government, expected to take about a year, he would be available for work for an inter-territorial basis. The fact, therefore, is that his services are only now becoming available under that arrangement, and I am glad to be able to say that the Government is now taking up with the Tanganyika Government the possibility of this mining consultant being available to carry out a geological survey for us. As I have pointed out, however, I think our greatest need at the moment is not so much advice. After all, I, in common with other members of this side, am always ready to receive advice, but it does not necessarily follow that we accept it from any particular quarter! On the other

hand, I submit that we need field geologists to prepare our geological maps, and if I may do so, I should like to agree with the hon. Member for Rift Valley, who said that what was wanted was men to get the job done: That certainly applies to geological surveys in this Colony.

Turning now to the questions asked by the hon. Member for Mombasa, and also the hon. Member for Nyanza, as to the possibility of reopening for mining prospecting certain areas which had been closed for some considerable time, I should like to say that these areas were closed for various reasons which were good and adequate reasons at the time. Those reasons differed in regard to each area, and with regard to the coast, which was particularly mentioned by the hon. Member for the Coast, the reason was, as he has pointed out, a question of land titles. The position is that when the coast was taken over from the Sultan of Zanzibar it was incumbent upon the Government to continue to recognize the then existing rights of the landowners of that area. Machinery to carry out the demarcation and certification of those rights was set up under the Land Titles Ordinance of 1908 and many certificates of ownership were issued by the Recorder of Titles under his powers in pursuance of claims to land which had been proved. In accordance with the practice at that time, those certificates included the grant of mineral rights, and that situation has been expressly preserved under the Mining Ordinance which exempts all such certificates from the vesting in the Crown of the minerals of the Colony. Before, therefore, any portion of the coastal strip can be reopened, it will be necessary to find out which areas are free from this obligation and whether these difficulties can be removed. A board called the Coast Land Titles and Arab Settlement Board has been set up in pursuance of the Sessional Paper on Land Utilization and Settlement, and that is one of the problems which they will have to tackle. It may, however, be necessary for Government to come to this Council and seek additional legal powers in regard to these mineral rights.

The hon. Member for Nyanza also asked when the Maragoli area in

[Mr. Robbins] Nyanza would be reopened. Here, again, there are difficulties which caused this area to be closed a little time ago, although the problems here are perhaps of a different type from those in respect of the coastal area. As we all know, Nyanza is a very densely populated area, and the difficult problems here concern the settlement and distribution of the population. For these reasons I am unable to give the assurance to the hon. member for which he asked, and that is that this area will be reopened at any particular time, nor, for that matter, am I able to say when any area throughout the Colony will be opened, but I can give him this assurance, that every effort will be made to remove the difficulties in respect of all areas in this country which have been closed to prospecting and mining. We heard a few moments ago—and incidentally I might say that in doing so the hon. Director of Medical Services stole a little of my thunder—that an area of some hundred square miles in the Nyanza Province has recently been opened. I submit that the fact that there has been no delay after the difficulties have been overcome, in reopening that particular area indicates that every effort will also be made to reopen other closed areas. The reopening to prospecting and mining of this area to which I have referred will provide ample opportunity for the small prospector. It does not, of course, follow automatically that every area in the country is suitable for prospecting by the small man, and we hope that mining companies will also take up concessions at suitable places.

At this stage I should like to give a word of warning to the uninitiated prospector, and I refer particularly to the African, about prospecting generally. I think they will only be deceiving themselves if they think that every piece of quartz they find on the roadside is the "open sesame" to Abidin's Cave or the key to untold riches, expressed in millions of shillings, because I can assure them that all is not gold that glitters. I will remember at the time of the Kakamega gold rush a well known figure in the mining world saying to me in the wisdom of his experience, that more gold has been put into the earth than will ever come out of it. I would, therefore,

stress that the people to whom I have referred should take this very much to heart. While on this subject, I should also like to ask them to seek at all times the advice of the administrative officers and of the technical officers of the Mining Department.

Other mining matters mentioned by the hon. Member for Nyanza dealt with the question of illicit gold buying, the fixation of the price of gold and the method of assessment of royalties. These are matters of law and order and of finance, and I do not propose to take up the time of Council in dealing with any of these points because I am sure they will be adequately dealt with by the hon. Attorney General and the hon. Financial Secretary. I would, however, like to say this, and again I am sorry the hon. member is not in his seat, that if he thinks that by merely raising the price of gold from about £18 as it is today to, say, £50, he is going to kill the black market, well, I think he is just deceiving himself, because you will always find people who will pay a little above the controlled price for the commodity they require.

Finally, there is one point of a serious nature which was mentioned by the hon. member Dr. Bura in his very humorous speech. When he was elaborating his arguments in support of his allegation that the overheads as contained in the budget are too high in relation to the wealth of the country, I think he said—and I made a note of it at the time—that this was purely an agricultural country. It is, of course, the case that for many years this country has relied primarily on agriculture, and I would be the last person to detract in any way from the importance of that industry to the Colony or to the enormous increase of production which we have seen during the past five or six years, but the word I would like with him about is "purely". I should like to refer the hon. gentleman to the report of the Lands, Mines and Surveys Department for 1945 which was laid on the table a few days ago. If he is interested in statistics, he will turn to pages 18 and 19, and will see that during 1945 gold to the value of £33,000 was produced in the mines of this Colony, which brings the total value of refined gold produced from the 1st January, 1926, to the 31st December,

[Mr. Robbins] 1945, to the sum of nearly five million pounds. In addition to that, he will see that roughly half a million pounds in value in respect of other economic minerals were produced in this Colony. Also, a little further on he will observe that there are statistics showing the estimated amount of capital invested and spent by the mining companies and others in Kenya, and for the year 1945 that figure is also round about £300,000. I submit that in a country which can produce roughly a third of a million pounds worth of gold in the course of a year, and in which a like amount has been spent to obtain it, cannot reasonably be called a purely agricultural country. I am not suggesting for one moment that we are sitting back in a satisfied way on those figures, but I am sure that, provided we are able to get the staff to carry out our programme, we will find at the end of the five-year period that this country, from a mining point of view, will compare very favourably with our neighbour Tanganyika. (Applause.)

MR. HUNTER: Your Excellency, I have listened to the speeches that have been made during the course of this debate and I find nothing directly concerning me to which, as Provincial Commissioner, I need to reply, except a short reference by the hon. Member for Nyanza to the mining and prospecting in the Margoli area, which has been replied to by my hon. friend the Commissioner of Lands. But in some of the speeches there have been references, particularly by the hon. Member for the Coast, to the number of officers in the Administration, and I feel from these references and inferences that there must be an inadequate appreciation, perhaps, of the tasks and the volume of work which is before the Administration to-day.

Personally, I can claim 27 years of direct administrative experience in the field, and there is no comparison between the volume of work and the responsibilities and the demands upon the administrative officer to-day with what it was some ten or fifteen years ago. The hon. Member for the Coast referred to the fact that we have to-day comparatively large departmental staffs in the reserves, and suggested that a lot of the work of

administrative officers was consequently taken from them. I can assure him that, far from that being the case, the presence of departmental officers in a reserve increases considerably the responsibilities and the actual work of administrative officers. They cannot implement any of their projects unless the Administration has first cleared the ground beforehand, and for this reason alone the increase of staff in the Administration is very necessary indeed. During the war years the administrative staff, sadly reduced, had to cope with a large number of extraordinary duties, such as recruitment for civil labour, collection of live stock for meat purposes, increased production, and moreover the multitude of shauries arising from the absence of a very considerable proportion of the man power from the reserves. In North Kavirondo this figure at one time amounted, I think I am correct in saying, to 70 per cent. of the man power being absent, and with their remittances coming home it meant everyone had to receive individual attention.

During the war years the administrative machine operated very largely on its momentum and, I may say, by the loyalty and the inherent good manners of the African. To-day that momentum has run out; the soldier has returned and the patience and loyalty which he showed during the war years is now not so apparent. The native in the reserve is suffering from very acute growing pains, and to meet these pains they are forming numerous associations and unions, and their original intentions are in every case admirable. They are for their own advance and for their own improvement, but it is a lamentable fact that if we are not constantly at hand to give assistance and guidance to these unions and associations, they inevitably, shall we say, deteriorate into political associations, and I think I am right in saying that the inevitable result of every political association is discontent. (Laughter.)

MR. COOKE: I am sorry to interrupt the hon. member, but my point is that it is no use merely increasing the number of administrative officers if they remain in their offices and do not get out into the native areas more.

MR. HUNTER: To continue, it is a fact that we must be constantly at hand to give them guidance in these associations and moreover, whereas in the past the District Commissioners could, in fact, carry out adequate administration by giving directions collectively to his populations, it is quite impossible to-day. The Africans are demanding individual attention, and this can be seen any day by visiting any district commissioner's office and noting the numbers of people who demand individual interviews, and the correspondence with the African public of any reserve is simply colossal at the present time. I might almost take the analogy of a parent of a large family with a lot of growing sons who individually require attention and guidance from their parent, and when you relate that to the district commissioner with a family of approximately 400,000 you can perhaps imagine his difficulties. I assure you they do demand almost that amount of attention.

I feel certain that the African administrative assistants who are about to be created will go a long way towards meeting the inadequacy of administrative staff in the reserves to-day. But these men are now being trained, and they are the first of their kind. The first six are to be posted back to Nyanza and one to Central Province, and when they arrive they will claim a lot of the district commissioners' time to instruct and guide them along the lines they should take. It is going to be extremely difficult to instil into them the appreciation of their position as officers instead of chiefs, and that will be our constant endeavour, and from conversations I have had with them they do not yet appreciate that by any means.

Finally, I would say that as far as the reserves go, I am speaking particularly of Nyanza Province, I feel that there can be no limit to the number of administrative officers, both European and African, who can usefully be employed in them. And in saying that I emphasize that the increase is definitely very necessary if we are going to hold these people along the lines which we consider they should proceed for their own benefit. They become extremely discontented when they get into political unions, and we should be failing in our duty as trustees if we did not have sufficient staff

there for the purpose of restraining them, along the lines we consider best fitted for their own good.

In various debates references have been made to wages in relation to African labourers, and I feel I might give a case which came to my notice in South Africa which shows the complex psychology of the African. I saw a farmer I had known for many years, and he told me he had had an old shepherd who had worked for him for a matter of about fifteen years. The farmer paid him Sh. 50 a month. About the time I was there he told me he had called Pete, the shepherd, and said: "As the cost of living has risen I think I ought to increase your pay", and gave him a rise of Sh. 10 per month. He did not get much response, but at the end of the month when pay day came the farmer gave Pete the extra Sh. 10, whereupon Pete said: "I am leaving you". When asked why, he said: "My work has not improved in the last two or three years, I have done exactly the same thing, and if you think I am worth Sh. 10 more now then you must have been underpaying me for the last two or three years". (Laughter.)

Finally, there has been a lot of criticism of Controls in this Colony during the war years, and I should like to pay a tribute to one or two of these which come in direct contact with my particular work, the Maize and Produce Controls in their relation to marketing. In my province I have received immense assistance from them and believe all consumers and producers must appreciate the manner in which our produce has been marketed. Moreover, the Price and Imports Controls have also contributed largely to the successful administration in that they have worked together and brought on to the market a large amount of piece goods. Before they operated, piece goods never reached Nyanza, being the most westerly point of the Colony, but since about a year ago, I think, Africans generally have appreciated the distribution system because now they get cloth to purchase and the traders to sell.

MR. WRIGHT: Your Excellency, claiming somewhat immodestly, if with an air of conscious pride, to be the father of this Council, and more particularly one of the oldest settlers in

[Mr. Wright]

Kenya. I would regard it as a dereliction of duty if I failed to call to the attention of hon. members the grave dangers which will confront this Colony if the Government's present financial policy is adopted. This short-sighted budget, based most shamefully, in my view, on tax rates expressly collected for war-time purposes, now diverted or an attempt made to divert them for peace-time purposes, is really an affront to our intelligence and its foundation on a patently unscientific one-sided survey by Sir Wilfrid Woods in itself would damn the budget utterly.

In saying so, however, I want to make it clear that I am in no way criticizing the views and opinions put forward so well and strongly by our leader, the hon. Member for Nairobi South, and so well supported by my colleagues on this side. Indeed, I am with them in general agreement on all points they have submitted, but I feel that their tactics may be well justified as being in the nature of a tactful approach to Government in what is, to my mind, the first round which may later develop into a forcible fight when the documents referred to the Standing (Finance Committee come back again. I indicate that, while I agree with what my colleagues have said, I do not share their good faith in the actions of the Government. The presentation of this budget has shaken my faith very greatly, and their hopes I do not share. In other words, of this issue I would say: "I ha'e my doots about Government".

I do not want to take up any of the time of Council, rather would I set an example to other speakers, by going over points already dealt with by so many others and those outlined by our leader. Rather do I want to approach our fiscal problem from a different angle, in the hope that Government may with me learn from the lessons of the past.

The present financial situation bears in many ways a striking parallel to that obtaining in the Colony after the Kaiser's war, except that now vastly greater obligations are being undertaken and the population has greatly increased. On the other hand, we face a grave danger of vanishing production. Maize, once a principal export, is now an import. Wheat, which is being and can be grown

profitably under artificial conditions such as now, may not far very well when these guarantees are removed. Sisal, at one time was in the doldrums, and is being bolstered up pro tem in the world, and will doubtless once again fall to that state where it becomes an uneconomic proposition. Pyrethrum—it is an exceedingly doubtful crop so soon as price guarantees terminate at the end of next year. Coffee we know is also subsidized and kept going by an artificial price guaranteed by Government. Even dairy produce may shortly have to deal with intense competition from the United States of America, for in that great country there is a very determined drive to develop a great butter export. Rightly or wrongly, it seems to me that Britain has allowed herself to become enmeshed by the vast American loan, the ultimate effect of which, I submit, must force her into the subservient position of that of a slave. (Members: No!) A point of view. To-day financial experts of different complexions seem to agree that the United States are directly heading for one of the biggest slumps in their whole history.

Now, sir, I stress the point that, coincident with slumps comes the wildcat drop first of all in primary product prices. Think of the effect of that on Kenya. Much has been written of Kenya and a certain amount has been done in the development of secondary industries, but the difficulties to be overcome here are not negligible, and the conditions prevailing in the Colony generally impose severe limitations to the intensive development of secondary industry. Without coal or water power, with scant timber, with not very efficient labour, the development of industries is somewhat circumscribed. On top of all, the reports of the Industrial Research Board, whose activities have been helped during the best imaginable time while war requirements were with them, are not very encouraging.

Is this, therefore, a suitable time to lay down as a permanent time policy for peace years—indicated, I think by the hon. Financial Secretary for at least five years ahead—such high scale rates of taxation on what we must consider somewhat grandiose plans for development?

[Mr. Wright]

Now, sir, to continue my lessons from the past. It is fair, I think to state that the best land was originally allotted to the African. From time immemorial the East African population has been kept down by inter-tribal wars, slave raiding, and perhaps not least, by very high infant mortality. At one stroke we most properly stopped all that. Infant mortality in special has been reduced. In the old days, not so long ago, the fertility of the African women, which still remains, meant that out of a family of ten or eleven some nine never grew up; to-day some eight or nine do. And that is attributed to the department on which I heard a most interesting speech this morning by the hon. Director of Medical Services and on which I would heartily congratulate him: (Applause.) I believe that that fertility remains, except, perhaps, in one tribe, the Masai, of whom I want to say a few words presently. The results are quite obvious. We all know about the desolated areas of the Kamba. Had our Administration, even in comparatively recent times, kept faith with Messrs. Liebig's, the position might have been improved a little and thousands of uneconomic sub-cattle might have been disposed of beneficially. But the rule, the law, requiring the Kamba to sell was rescinded after one thousand of these people had established a camp in Nairobi at a spot inconveniently close to Government House. Liebig's accordingly had to make other plans. Many years ago, a large area in the Yatta Plain was granted, or most of it, to a well-known sial concern who were disappointed of it in favour of the Kamba shortly afterwards. Then, as is typical of the tribe, within a few years they had, with the help of goats, grazed the land which was under good grass down to desert conditions. I quote that instance because it is no wonder that the tribe finds it easier and more profitable to insist on being given other people's land than to look after their own.

Now, sir, we are perforce pauperizing them by the issue of free food for the tribe, but when it is apparent that they are not prepared to work for their own salvation or help in the restoration of their land, thereby acknowledging that their children must inevitably starve unless something is done, it indicates a

lamentable lack of sense of tribal-duty. Surely such work is a definite tribal obligation? Some years ago I learnt that in Uganda that delightful euphemism "tribal obligations" is a title given to main road maintenance work. In Kenya, of course, that would be termed "forced labour". There is the difference!

Much of the Masai country—territory I should call it, because it is very vast—is just as bad at the Ukamba reserve. Of this tribe it is very difficult to estimate their merits, if any, for they stand stork like on one leg watching their grazing disappear whilst they live in incredibly dirty manyattas and wait for Government to sink boreholes and lay pipelines for them for their special use and the while they concentrate their cattle and seem to be allowed in places where the signs of erosion are most evident. A friend of mine who has made this year several trips to Mombasa and back has remarked on the progressive effect so obvious near Simba, where there is a veritable dust bowl and everything set for complete sheet erosion when the first heavy rains come. (Hear, hear.)

Surely some administrative step could be taken even temporarily to close such areas against destruction by that tribe? It is difficult not to blame the Administration, sir, for doing so little or for remaining so optimistic about conditions which are occurring in an alarming state, to indicate that the years are nigh when this country will be quite unable to feed itself. Other parts of the country like North Kavirondo have been over cropped to the erosion stage, and great parts of once fertile Kikuyu lands are similarly ruined. Then there is the question of the Kamasia reserve. I know far more about it because I have seen that reserve which was the first Government effort for reclamation work. I have no idea what it cost. It was a worthy performance, but I would go so far as to say its general effect has not been very good, and I would tell hon. members that I have seen repeatedly concentrations of cattle near Kamasia on land to which they have no right or title whatsoever. The area of some 16,000 acres north of Lake Solai is difficult to get at, where I personally have seen thousands of cattle eating the pods that fall from the thorn trees, which are very nourishing, because there was no grazing below.

[Mr. Wright]

Those are conditions which I am afraid of, and they are spreading. It may be that the Highlands Board in the near future may be able to find a solution to the Kamba problem. I sincerely hope so. If we admit that the Administration fosters the tribe with the very best of intentions, and does its best, one equally admits that the Government of Kenya has always done so. Many, many instances I can call to mind. Our rules about limitations of goats and cattle to which I have referred, forest preservation, which in reserves proves to be too late (the forests are already being eliminated), or official schemes for increased proteins in rations. When a South African sea fisheries expert was called to Kenya to report on the matter, his report was officially pigeon-holed, or at least it is impossible to obtain a copy of it, and so on *ad infinitum*. In fact, it is fair to state that Kenya has made a very important contribution to the floor of the nether regions! (Laughter.) My hon. friend the Financial Secretary will, however, note that any expenditure under that head will be deemed "Extraordinary" rather than "Recurrent"! (Laughter.)

In a most able and sincere speech the hon. General-Manager of the Railways referred to the difficulty, or unlikelihood, of gifts falling from heaven. I am not sure that the hon. Financial Secretary has not already found that in fact what he said the other day was as manna from heaven. I am told that in its biblical sense—the hon. member Archdeacon Beecher will correct me if I misquote—what manna means is "What is this?" a question that I suggest the hon. Financial Secretary asked himself when he found a surplus balance amounting to £500,000 at least. (Laughter.) I hope, however, that he will not follow too closely the example of the Israelites of old who, as he knows, spent 40 years in the wilderness and got tired of the monotony of a diet of manna and demanded flesh. I do not blame the poor devils, but as John Dryden said it, "we loathe our manna and we long for quails". My apprehensions take this form, that if the hon. Financial Secretary becomes an ardent flesh eater the gifts that have been falling from heaven will be taken from us in a most ruthless

cannibalistic way—I mean from one section of the community.

I want briefly—did I say I would set an example to members of the Council? (Laughter.)—to refer to a pet subject of mine, namely income tax. I do so very briefly, for the reason that some of us feel aggrieved that a report submitted under the aegis of the Agricultural Production Board has been completely disregarded in this Council. I say so feelingly, because I was chairman of that sub-committee, and would add that I do not suppose anyone other than the Commissioner of Income Tax has read it. It was a commendably brief document, which was referred among other things to Sir Wilfrid Woods. I found him a very intelligent, kindly gentleman, and spent a whole day with him at Nakuru. His sympathy with the points on income tax submitted by the farmer was such that I was fooled into believing he might find some amelioration for us in some way. He recognized, as many countries recognize, that agriculture is the source of all wealth and has a special case for relief in regard to taxation. I was dismayed when I heard two speakers, one Archdeacon Beecher, speak about the imposition of yet another tax, called an undeveloped land tax. A very distinguished old statesman called Lloyd George tried that in Scotland and England many years ago. It comes up every quarter of a century, but it has never been found a practical proposition and despite the statement of the hon. member Archdeacon Beecher, it would take a very big department to operate such a scheme in a practical way, and I should like to get anybody to agree with him that there was a single fully developed farm in this country. I referred to this document that we put up as the "Nine pillars of wisdom" for consideration by the tax authorities, especially by the Commissioner, but they were lightly swept aside by Sir Wilfrid Woods, except one, a request for allowances for the diminishing fertility factor caused by war-time production orders involving bad farming practice. He was, however, "advised that such special deductions would be permissible under the law as it stands". Then he dismissed the idea. But I should like to ask the Commissioner of Income Tax what particular clause gives permission under the

[Mr. Wright]

law as it stands, because I want to assure him that if it is so I personally shall find a reasonable method of assessing it as a deduction from income tax.

I would add that the Production Board is so annoyed, to say the least, about the disregard paid to the report of their sub-committee that they have ruled or resolved that another committee be called at once and that further steps be taken for the amelioration of the lot of the farmer. They feel they have not had a square deal in this matter, and I cordially agree with them. Their arguments for reductions on allowances have not been made point by point as they were submitted, and so they feel that if they are not going to come in on that they must have another sub-committee to take the matter up. They realize, as Gibbon realized two centuries ago, that "all taxes at the last fall upon agriculture," and they think it is unfair.

Since quotations have been very popular in this Council, I will indulge in the fashion by again quoting that which I quoted some years ago on the same subject. I will also, in quoting, add a comment which my hon. friend Archdeacon Beecher might find very useful for his text in his next sermon. It is from the second chapter of Kings: "And Joholakim gave the silver and the gold to Pharaoh; but he taxed the land to give the money according to the commandment of Pharaoh; he exacted the silver and the gold of the people of the land, of everyone according to his taxation, to give it unto Pharaoh, and"—mark you this, sir—"he did that which was evil in the sight of the Lord (laughter) according to all that his fathers had done."

ARCHDEACON BEECHER: On a point of order, I think the hon. member's exegesis of the Holy Writ is not quite in order. (Laughter.)

MR. WRIGHT: To quote again: "I am amazed at my own moderation" (Laughter.) Now—and this happily in conclusion—I have found a text from the Holy Writ which would make a suitable motto for my hon. friend the Financial Secretary: "My little finger shall be thicker than my father's joints. My father made your yoke grievous;

but I will add to it. My father chastised you with whips; but I will chastise you with scorpions" (Laughter and applause.)

MR. MATHU: Your Excellency, I rise to support the motion before the Council and in doing so to make some remarks on the budget. Before doing so I should like to say a few words on the present Kenya position in relation to its neighbours across the Indian Ocean and round about the Mediterranean Sea and Europe, particularly Britain. The reason for my doing so is that a large number of speakers have referred to the importance of Africans co-operating with the Government and other communities in this Colony. I have no quarrel with that plan, because I personally am convinced that unless that co-operation is forthcoming, the development of this country and the speed at which it may take place might be reduced to a minimum. But I think that the co-operation which is required is not one-sided, and that Government and the other communities in the country should co-operate also with the Africans. At the present moment things in India are very plain to us. What happened in Burma and Singapore is also familiar, and the difficulties that the Allies found in Burma are also familiar. Had it been that the communities that lived in Singapore during that crisis were in complete harmony and co-operation there could have been a different turn of events in Singapore. What is going on in Palestine is also clear. The position in Egypt is well-known and the proposal by the British Government that Kenya should serve as a haven in times of difficulty is also clear. I should like to ask you whether, with these instances of actual fact before us, we can afford in this country to live divided or as divided groups? I contend that we cannot, that it is absolutely essential that we should work as far as possible as a community and not as a country of plural communities, because, as I have suggested, where these plural societies have existed and have not worked in co-operation, we have seen disaster and, if I may borrow the expression from my hon. friend the General Manager, not only economic disaster, but political disaster as well.

[Mr. Mathu]

With those words I should like to say why it is very difficult for the African at the present moment to give that willing response which I think is the best definition I can give for proper discipline. It is that a psychological sphere has been created in the country where the African is attacked from every angle, from the lowest level in the hierarchy of the organization in the country to the highest. It is a psychology of disenchantment, a psychology of insult, a psychology of abuse, and I think I understand why that psychology has been put across, because I think the English say that the best weapon of self-defence is attack.

I refer, for example, to the question of output of labour. In the last six years I personally think that the African has done what he can to enable the production of this country during the war years not to decrease. He has done that with a willing heart because he knew that the Empire was in danger. During the war he heard from the highest officers of the Army praise of the askaris' exploits in Burma and in other theatres of war. Immediately after the war is over, the psychology has been turned round and he does not receive any patting on the back; not because it is absolutely necessary that he should get that patting on the back, but because he feels most sincerely that he has done quite a bit to help the production and the development of the country during time of difficulty. However, I should like to say this, that I should be the last man to say that we have no idlers in this country; that we have not some people who sit and do as little as they can, but I cannot join forces with those who generalize and say that the African is idle. The word "African," as you know, is a term which has the widest connotation possible. It means every African, and I do not think that any person can subscribe to a generalization of that nature. It is the same, for example, as saying that as the hon. Member for Rift Valley sits on his verandah all day, all the hon. members of Council sit on their verandahs all day. Surely that is not logic that could be accepted. I plead that where credit is due it should be given, and where rebuke is due that also should be given, but there should

be no damning of the whole population that nothing is being done.

That also leads me to the other part of the psychology I have referred to, that of the deterioration in native land. It is definitely true that quite a number of areas in the native land units are not as they should be from the agricultural point of view; that the soil has been eroded; that the vegetation has been denuded, that the live stock are scraggy beasts. It is true that these aspects of the situation are in existence, but I contend that it is untrue that every part of the native land units is like that. It is because of that that the African is being discouraged, because there is nothing that he hears from quite a number of responsible sources that encourages him to carry on any improvement of the situation. When he turns to the question of wages and conditions of labour, there again he is no happier. That is the situation as we see it to-day.

A third example of this psychology of discouragement and dependency is the suggestions which have been made that we have plans for the restoration of the African lands, we have plans for African settlement, and so on, and if we put these things across to the African and he does not get on and does not do what we like, then we shall have to resort to force. That has been, at any rate, the suggestion of my hon. friend the Member for Ukamba, that if all else fails, then an enforcement of policy would be resorted to, and he is not alone in that. My approach may be different. I personally think that if we could use our Information Office in a better way than we are doing at the present moment, if the whole Administration could bring these facts to the African as often as they can, explaining the whole position in a humanistic approach, I do not think that we can fail, and I do not think there will be any necessity as a general rule to resort to force.

The next point I should like to refer to on this general subject, is that the Africans agree that the principle which has been adopted by the Development Committee of increasing the national income of the country is a very sound one, so that they can raise the standard of living for everybody. The other principle

[Mr. Mathu] that all must work nobody can dispute, because I think nobody can expect to get anything dropping from heaven if they do not work. But I think that, in order to increase the national income of this country the African must know how to do it, and it is from that point of view that the Education Department and all the other agencies connected with education and mass literacy come in. I was speaking to a farmer the other day and he was complaining, as you yourself, sir, have done in dispatch No. 44, of the ignorance of the African. This European farmer was a very decent man, and he was really worried as to how to educate the men on his farm. He said: "We give them tractors and the ploughs and all the rest of paraphernalia on the farm, and we expect the work to be done, but," he said, "when I have shown these people how to handle the plough or the tractor or some other machine and told them how it is done, they look at my hands and they do it and they continue doing it, but they do not make any alterations. There must be some lack of initiative somewhere", he said, "they do not understand why—why we do it this way and not another way". I think that is a very important point. It is why we do this that the African wants to know and it is that that he must be taught. It is a new thing, it is not perhaps part of the make-up of the African life, and therefore it is essential that he should get the necessary training. He must know what the cause of this is; he only sees the effects.

I visited the new training centre for African artisans at Kabete recently, and these men, who have been in the Army, complained about the same thing, that they have been seeing the results, but the causes, why things are done a certain way, they do not know. That, I think, is the weakness in the whole structure and in the whole policy for the African. If we could get that going I sincerely hope that it will be necessary to go on thinking that force may have to be resorted to.

The hon. Member for Rift Valley criticized my hon. colleague Archdeacon Beecher for his suggestion that the African was poverty stricken. I said this during the debate on the Woods Report

and I say it again, that if the hon. member is doubting the statement that has been made by the hon. member Archdeacon Beecher, I suggest to him that he should spare some weeks and walk through—not go by car, because he will see nothing—the native reserves, and if he comes back after weeks of rambling over the country and seeing the Africans as they actually live, and tells me that the African is not poverty stricken I shall be very surprised, because poverty is the main sociological phenomenon we have to deal with in the African area to-day, and any suggestion of minimizing that would not be true facts, and I should like to support most wholeheartedly the plea that my hon. colleague on my right put forward to Government that the situation must be looked into with a view to ameliorating it.

Now, sir, to come to the budget. Revenue, I said during the debate on the Woods Report that the African must play his part in an effort to increase the income of this country. He has done so, and I believe he must continue to do so. There are three ways, I suggest, in which he can increase the revenue of the country. Firstly, that he should get a fair price for his agricultural products; secondly, he must get trading facilities, equal opportunities for trading facilities, and under that head I should like to refer to the welcome remarks by the hon. Member for Ukamba made the other day on the subject of the co-operative movement. We have a co-operative society department in Kenya, and you will remember, sir, that I did put a question on it recently, and I should like to support what the hon. Member for Ukamba has said, that that department should review the whole situation so that the co-operative movement may be brought before the African in the best way possible.

MR. TRENCIT: On a point of explanation, I think it was the Member for Rift Valley who made that statement!

MR. MATHU: The other point I want to refer to in trading facilities is the position mentioned by the hon. member Mr. Thakore and a few other speakers, about the Transport Licensing Board. There is a very awkward situation there,

[Mr. Mathu] that district commissioners give recommendations to various Africans to purchase motor vehicles, and the Africans who have these recommendations present them to the Motor Vehicle Controller. He gets the motor vehicles for these Africans, and on the permit he says: "This permit does not imply that a T.L.B. licence will be granted", and that the purchaser must see to it that the requirements of the Transport Licensing Ordinance are fulfilled, or words to that effect. So the applicant takes the permit to the various motor dealers in the town and he purchases a vehicle. He applies now to the Transport Licensing Board and they say, "No, you cannot have a licence". Then the situation is awkward. The fellow has spent his money, something like Sh. 5,000, in getting a motor lorry; he goes to the board and they say "You cannot have a licence", and there are hundreds of these vehicles in the country to-day. The money has gone, the lorries cannot function; the vehicles are recommended, the board turns down the application. And there are hundreds of such. I suggest that there should be some co-ordination between the Motor Vehicle Control and the Transport Licensing Board, because if the former knew that a licence would not be issued he would not issue a permit, for he can only grant permits to applicants if a licence is available. But at the present moment there are hundreds of vehicles in the country without a licence. I should like to ask that, bearing in mind what I have said, the situation should be reconsidered by the Transport Licensing Board. I would add one thing—that they should issue licences to those people who have already got the vehicles, thus clearing up the mess, and then start anew.

The third way in which the African can increase his income is that he should get adequate wages and salaries in employment. That has been discussed before and I should not like to go into it further.

In regard to indirect taxation, I should like to refer to a plea that the hon. member Archdeacon Beecher made, that books and stationery required for African literacy should come in free of duty. It is very important that we should get

these Africans literate, that they should be able to buy the necessary requisites at the cheapest possible price, so that we may consider increasing literacy and education generally throughout the country in a way that meets the pockets of the poor parents and others.

I should like to remark that the hon. Financial Secretary said that in 1945 a figure of the order of £800,000 paid by Africans in indirect taxation has been extremely helpful to us, because although we say that the African is not always pulling his weight yet in matters of increasing the revenue of the country that is not always true. On the matter of the increase of the tax on beer, I should like to support my colleague Archdeacon Beecher, that if the tax on beer is to be increased it should be carried by the consumer, and I do not think the breweries should pay it.

Further, I should like to mention a thing which I mentioned in this Council a long time ago about the restriction on Africans purchasing European beer. I put Question No. 90 in July, 1945, and the reply was shortly that the East African Governments were shortly going into the matter. The black marketing in beer has assumed bigger dimensions, and to say there is not sufficient beer is wrong. There are tons and tons of it going at Sh. 3 a bottle, and it is because of the restriction, and I suggest it is high time that restriction was removed. I should like to make it clear to the Council and the country that I deplore drunkenness that is without doubt in the country. My plea that the restriction on beer should be removed does not imply that people should get drunk. I am only fighting against discriminatory legislation. I do not think the Africans should go about drunk in the country and things of that kind. I should like to mention this for the information of the African people throughout the country, that I do not support the idea that they can go on drinking and being drunk for ever. That is not wanted, because they cannot work. My point is that the law is unnecessary, that it is not functioning because the black market in beer is in every town in the country, and the sooner it is removed I am sure the happier it will be for us.

They suggestion about sugar and tea excise being increased would, as I say

[Mr. Mathu] and my colleague has said, press very heavily on the poorer African, and I personally oppose these increases. On the question of petrol tax, there again I think it should not go through. In regard to direct taxation, a suggestion has been made that my community should pay income tax and the hon. Financial Secretary is very keen on it. My point is that, when the income tax legislation was put through, was there any indication that Africans should also pay income tax? If so, why were they not informed? They have not been informed in this country, and I oppose it, and I think the African people will oppose it throughout (laughter) because it is premature. A suggestion was also made about a cattle tax. There again I should like to refer and will refer later when dealing with the Agricultural Department, to the fact that what we want is really an encouragement in the growing of protective foods, and once you start taxing cattle none will be able to get the necessary cash for the tax without getting rid of their cattle, and thus will go without milk, a thing which I think will be deplorable.

On the question of a graduated poll tax I agree with the hon. Financial Secretary for once, that it will be too expensive to introduce a graduated poll tax as they have done in Nigeria and some other West African colonies. I should like to support by colleague's suggestion that an undeveloped land tax on the non-indigenous population should be instituted. (A member: Racialism!) It is not a question of racialism at all, it is a question that those who have should be able to pay more.

I now come to a few remarks on the expenditure estimates. I will start with the Judicial Department, and say that the administration of justice is one of the acknowledged institutions, if I might call it that, of the British people, and I should like to say that the Africans are watching very carefully the records of cases that are reported in the Press and are scanning every line to see whether justice is being administered fairly for all. Remarks have been made in this Council about an Indian or an African who is said to have been let free on committing some form of crime, and there has been agitation on that. It is

not impossible when looking through the Press, to find cases where Africans are left doubting whether justice has been done to all impartially. Crime is a social phenomenon which I agree with members on this side who have already referred to it we must stamp out. The African is very alarmed at the increase in crime, and all of us would support the efforts on the part of all to see that crime is reduced to a minimum.

While I am on the Judicial Department I should like to mention a point I raised some time back and a point on which I got an assurance or an undertaking from the Attorney General. I refer to litigation on land. At present land disputes by Africans and others are dealt with by the native tribunals, and the highest court of appeal is the Provincial Commissioner's court. My suggestion was that the Attorney General should go into this matter with a view to making it possible for Africans to avail themselves of the highest court of the country and of the Empire so that they may be sure that justice has been accorded to them. I have in mind a case of which the hon. Chief Native Commissioner is very well aware, a case in which I am most dissatisfied and quite a number of people are also dissatisfied, and if it were possible for appeals to be made to the Supreme Court of Kenya and to the Court of Appeal for East Africa, and even to the Privy Council, I would have advocated it. At present the Provincial Commissioner's court is the end of it all; and I ask the hon. Attorney General to see whether something could be done in that regard.

Coming to the Central Administration, I should like to support my hon. colleague's plea that the question of direct African representation on this Legislative Council should not be unduly delayed and that something should be done possibly in the new year. It is a full-time job for two of us who try to look after the interests of four or five million people. Not only has one to try and attend meetings all over the country, Local Native Council meetings which we very often like to attend, but central committees as well. Not only that, but one has at least 100 letters a week to reply to, one has at least ten interviews to give per day; all these things and others are definitely impossible for two

[Mr. Mathu] like to refer to the Wanderobo of the Mukogodo, a small place which is well known particularly by members of the African Settlement Board; their social services require attention, particularly water supplies. The Masai have been dealt with by the hon. member Archdeacon Beecher most comprehensively, and I do not wish to say anything more, except to say that they require even greater attention at the moment because their development has been delayed. There are two other small communities I should like to mention—those on the slopes of Mount Elgon, the Elkonyi, and another very small community who are also struggling for their existence. Both my hon. friend the Provincial Commissioner, Nyanza, and I know their problems, and I hope greater attention in the way of educational and hospital facilities will be given.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 9.30 a.m. on Friday, 29th November, 1946.

Next, the question of the administration in the Provinces. I entirely agree with the remarks of my hon. friend the Provincial Commissioner, Nyanza, in regard to the difficulties of the district commissioners in administering their districts. The work is too much, and the suggestion of appointing African district officers is a very important one. That will relieve the district commissioners of most of the routine duties in the districts, and in that way their work can be of even greater efficiency than it is at present. But these African district officers must not be looked upon as glorified clerks. I do hope that the Administration will look upon them as colleagues in the work, and that their remuneration and other conditions of service should be the best possible we can offer. When I visited the training school at the Jeanes School recently these people suggested that Government should consider placing them on Scale E of the African Civil Service, and I personally would support a suggestion of that kind, and I commend it to Government for their favourable consideration.

Two more points on the Administration. Firstly, that of the small African communities in the country to-day. We may be inclined to forget, because of the overwhelming numbers of certain communities, to look after the interests of what I might call the small African communities or minorities. I have in mind, for example, the Somali community in the Northern Frontier and in other parts of the country. These people are mostly outside their own country, they are generally engaged in trade, and I know that they do experience difficulties in getting trading facilities. Those in the Northern Frontier District also require attention in regard to their social services, and I should like to welcome the vote in the Estimates for a school at Wajir because education for these people is the only hope. Of course, in these dry areas water is a necessity; I should also



Friday, 29th November, 1946

Council assembled in the Memorial Hall, Nairobi, at 9.30 a.m. on Friday, 29th November, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 28th November, 1946, were confirmed.

#### ORAL ANSWERS TO QUESTIONS

No. 80—PAY OF BRITISH N.C.O.s

MR. TRENCH:

Is it true that British non-commissioned officers now being sent to East Africa from the United Kingdom are on the new Imperial rates of pay? Is it true that locally enlisted British non-commissioned officers are still on the old rates of pay? If the answer to the latter question is in the affirmative, will Government say why locally enlisted British non-commissioned officers are not entitled to the same privileges as those from the United Kingdom, especially in view of the fact that work for both categories of men is identical?

MR. TROUGHTON: I am informed by the Military Authorities that it is true that, with a few exceptions, British non-commissioned officers now being sent to East Africa from the United Kingdom are on the new Imperial rates of pay and that locally enlisted British non-commissioned officers are still on the old rates of pay.

With regard to the question of privileges, the hon. member should be aware that locally enlisted British non-commissioned officers pay income tax at Kenya rates, whereas British non-commissioned officers enlisted in the United Kingdom pay income tax at United Kingdom rates.

MR. VASEY: May I ask whether the pay of B.N.C.O.s brings them in any case within the income tax groups?

MR. TROUGHTON: I have no official cognizance of the rates of pay of N.C.O.s. (Laughter.)

No. 81—MR. VINCENZINI

MR. TRENCH:

Why was Mr. Vincenzini given the choice of two passages to his country within a short time of his applying, when Kenya soldiers and their wives have had to wait six months or more? Who gave him this passage? Is he coming back to Kenya or is he an "absentee landlord" of 40,000 acres? Are the Italians at present employed by Vincenzini on his various farms going to be repatriated *in toto* or will his farms become Italian settlements? On what grounds was Mr. Vincenzini paid a sum said to exceed £20,000? Is it true that Mr. Vincenzini has rented part of his Equator Farm to Indians?

MR. LINDSAY: In March this year Mr. Vincenzini was offered a passage by the Military Authorities on a ship repatriating Italian prisoners of war and evacuees to Italy, but owing to the short notice given he could not accept it. He was offered and accepted a berth on another repatriation ship leaving for Italy in April. As the ship was bound for Italian ports only no Kenya soldiers or their wives were deprived of passages home by reason of the grant to Mr. Vincenzini of a passage in this ship.

As far as is known it is Mr. Vincenzini's intention to return.

Of the Italian subjects employed at Keringet Estate, some are old residents of the Colony in respect of whom no good reasons exist to require them to leave; the question of the repatriation of the others is under consideration.

The sum of money referred to represented the value of the liquid assets of the Vincenzini Estate when the property was vested in its owner.

Inquiries which have been made into this matter indicate that the suggestion that Mr. Vincenzini has rented part of his farm to Indians is without foundation.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE  
The debate was resumed.

MR. MATHU (*continuing*): Your Excellency, when the debate was adjourned yesterday I was making some remarks on the Administration, and I was drawing

[Mr. Mathu] the attention of Council to what I called the small communities of Africans throughout the country who might sometimes tend to be forgotten. I should like to refer this morning to the Laibon deportees of the Kipsigis tribe. There is a vote in our Estimates of £1,400 for the social welfare of these people. I should like an assurance that Government is satisfied that it is still necessary to keep these laibons away from their tribal group. I have had representations from members of the group who were not deported, and they are very anxious that reconsideration of the whole matter should be given.

The Ukamba reserve has been referred to by a large number of speakers, and there is one aspect of that area I should like to emphasize. The Ukamba country has been most unfortunate in one regard, namely the shortage of rain, and if we could in some way get the water diviners to produce sufficient water in that district I think we should have won half the battle, but Ukamba seems to get less and less rain every year, and it is very difficult to undertake the reconditioning work which we are all agreed should be done.

I should like to refer also to the Coast Province generally, and to congratulate the hon. Director of Medical Services for what I consider a very inspiring speech and the very inspiring work which his department has done in regard to the restoration of health among the coastal tribes, and in particular this question of the epidemic of relapsing fever. (Applause.) As regards the increase in the medical vote in the estimates for the Coast Province, I personally would not question it. I would not even dare to suggest that the Medical Department requires more money than we have been able to provide, and particularly in the Coast Province our problem is definitely the physical condition of the people. The climatic conditions of the Coast Province are such that it is very difficult for these people to be completely healthy, so that they can actually do what we want them to do for the development of the country, and I should like to appeal to the Council that the medical facilities in the coastal districts should definitely be extended. I would also mention one gratifying aspect of the situation in the

Coast Province in regard to the provision of the hospital at Taveta, a great addition to the medical service in that area, and I do know that the Taveta, a very small group of people again, are very appreciative of what has been done.

The Education Department has been dealt with most ably by my hon. colleague, and I do not propose to dwell unduly on that department, but I have one point which I wish to make, and that is that (Your Excellency's dispatch No. 44 shows beyond doubt that unless we enhance the educational facilities for Africans in this country, Your Excellency may very well write another dispatch next year or in the next three years, and I am afraid it will be in just the same terms. But if we enhance the educational facilities of these people the Agricultural Department, for instance will be able to carry out its programmes because the people will know why the rotation of crops is being advocated, why animal husbandry has to be brought to a scientific level, why the marketing of agricultural produce has to be done in the best way possible, but with an illiterate and ignorant population as we have in this country among the African people, I do submit that the Agricultural and Veterinary Departments and all other departments of Government will find it extremely difficult to get the plans which they have on paper translated in practical terms.

It is for that reason that I suggest that the Development Report came to us Africans as a great disappointment when we read of their proposals for the development of education during the next ten or twenty years, and if the African has opposed the acceptance of the Development Committee Report, as he has done, it is mainly due to the very scanty provisions that have been made for the next twenty years for the development of the education of the African people. My hon. colleague was very eloquent on that, and I should like to support him most whole-heartedly on the problem of the African people in his behalf of the Development Committee ought really to have approached the problem in a more generous manner than it did. I do not see how we can get our programme through if we are dealing with people who do not know how or why a thing should be done. I

[Mr. Mathu]

cannot see how we can solve the problem unless, as I have said in this Council before, we have a large number of agricultural instructors, who are perhaps very well trained, to go into every village and do the work themselves, because instructions to any group of people will not suffice.

Two other aspects I should like to mention in regard to education. I refer to the overseas bursary scheme for Africans. I understand that the rules have not yet reached their final form yet by which Africans can apply for overseas bursaries, and I request Government to hasten this matter, so that Africans can apply for overseas bursaries. While I am on that, I should like to welcome the suggestion that my hon. colleague put forward in regard to facilities being given for selected Africans to visit the United Kingdom. I was one of those who, as everyone knows, was privileged to go and study post-war conditions in Britain, and I should like to place on record the appreciation of the African people because of this gesture from Government, and the education we were able to gather during our short stay in Britain could not have been got out of books. I know that this visit is definitely going to do a world of good in this country, and other visits would be most welcome.

I will refer briefly to the Labour Department, and should like to congratulate most heartily the hon. Commissioner on a very interesting and well delivered speech. There was one very appreciable point which the Commissioner put across, and that is the appreciation of the difficulty that the labourer is experiencing in the various areas, and particularly the squatter quarters. You are aware, sir, that the squatters have had a very difficult time and Your Excellency has received, I believe, a petition from these squatters that their position should be looked into. I know that Government is arranging that a conference should be held to deal with this matter, and I should not like to dwell long on it except to say that the situation is extremely difficult. These people will be out of employment, they have no land on which to settle, and the request they have made to Government is that

if the conditions of employment cannot be improved, then some land should be found on which these people and their animals can settle. I think it is quite a justifiable request, and I do hope Government will look into that matter with a generous heart.

The question of roads in the native areas is a very big one, and the £75,000 that has been set aside in the D.A.R.A. Estimates for the improvement of roads and the £15,000 that has been put forward for next year will perhaps be able to do very little. I have voiced the view in this Council before that the road programme in the native areas has not really been tackled as it should be, particularly now that there is an appreciable number of motor vehicles in the country. I suggest that when this proposed Road Authority is set up a definite liaison must be brought into being between that Authority and the local native councils, with a view to having a definite plan by which we can have at least some all-weather roads in the native areas, so that development can go on. I do not see how we can have agricultural schemes in the native areas, or other schemes, unless we have very good roads, and I suggest that this matter should be looked into.

While I am on the question of roads I should like to suggest to the Agricultural Department that one of the hindrances in the development of agricultural practices in the native areas, as I have already pointed out, is the ignorance of the people. Modern principles of farming are not things that can just be taken up without previous training, and it is on that basis that I have requested time and time again that agricultural training for African farmers should be pushed ahead more rapidly than ever before. I sympathize with the agricultural instructors because they are dealing with a job they cannot do. They themselves do not understand the scientific implications of the projects that they have been asked by the Agricultural Department to put across the common farmer. For that reason, soil conservation work is held up because the people who are guiding the common people are themselves ignorant of the principles underlying the best agricultural practices that we can put across to the people. Therefore, I personally think that the training of the people should be undertaken as fast as we possibly can, both

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inside and outside the schools. We must have mass literacy and things of that kind so that these people may know what they are about.

Two other points I want to mention in regard to the Agricultural Department. Firstly it is, I believe, in England, and indeed in places like Denmark and other agricultural countries of Europe, it is recognized that the most important crop that the farmer must produce for the well being of the nation is the protective crop. Eggs, milk, meat, vegetables are regarded as the most important protective foods, so as to bring about a healthy people, and that aspect of the problem as far as I know has not been brought to the fore among the African people by the Agricultural Department and others, so that the people may be encouraged to grow these crops not only for marketing, but particularly for their own consumption, so that the state of malnutrition, which exists in the native areas may at least be brought to a minimum within the course of a few years. We should remember the quotation which the hon. Director of Medical Services gave. An unhealthy body, I do not think can, as the Romans said, keep a healthy mind.

The second point I want to refer to is the two problems which are facing the Government and the people and the Agricultural Department in the Karatina area. I refer to the land which was taken in 1940 or 1941 for military housing and for the building of a dried vegetable project. That has been a prolonged problem, and the clan owners of that land, I understand, have made representations to Government for the settlement of the Karatina Trading Centre as it was before 1940 and as it is now, and secondly, a settlement in regard to the future of the dried vegetable project, and I sincerely hope these will be looked into so that the future of the factory and the future of the land, which the people were told would only be used by the military in war-time, may be satisfactorily settled.

I am coming to the end of my remarks, but I should like to refer to an omission by the Director of Public Works in the course of his speech, an omission which I think should not have occurred. I refer to his suggestion that his department has

experienced great difficulties in inducing trained men from overseas to come and staff his department. In the course of his speech in reply to points that were raised by my hon. colleague, he referred to Asian artisans, but I never heard him refer to African artisans or that there were any inducements in that department to bring African artisans into it with a view to helping the department with the numerous tasks that have been laid before it, and I should like to suggest to Council and to the hon. member that we look upon that department as a very important department, because we would like our trained technicians to find a job in it and help on with the development of the country. (Hear, hear.)

Before I make a few remarks on the D.A.R.A. Estimates and then finish, I should like to refer very briefly to the African Civil Service. The reason why I do not want to dwell on this matter is because Your Excellency has appointed a committee to look into the whole question of the Civil Service, but there is one point which I should like to mention: At the moment you have three major distinct civil services in the country: the European, the Asian and the African. The Asian Civil Service includes the Arab Civil Service since the Lancey Report. But I suggest that the time is approaching, if it has not already come, when we must alter our ideas towards the Civil Services.

A committee appointed by the Colonial Office recently produced a report in Colonial Paper No. 197, and I should like, if I may, to quote two or three sentences. They say on page 4 of their report that "the Colonial Service must provide a framework in which the right man or woman can be put in the right place, irrespective of race or colour, in which there is equality of treatment and opportunity for all on a basis of merit and efficiency." That, I suggest, is a principle that has been adopted in some West African territories, and I do not think that Kenya should lag behind but should move with the times. On page 8 they say: "(1) The salaries of all posts in the public service of a colony should be determined according to the nature of the work and the relative responsibility, irrespective of race or domicile of the individuals occupying the posts. (2) The salaries should be fixed at the rates

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applicable to locally recruited staff, even though there may for the time being be grades in which few, or no, locally recruited officers are in fact serving. (3) In fixing these basic salaries regard should be paid to the relevant local circumstances, such as the ruling income levels in those classes of the community from which the public service is or will be recruited". Finally—“(4) Where the salaries so fixed are insufficient to attract and retain officers from overseas, expatriation pay should be provided for such officers". There are some principles that I submit should be considered by us here, to see whether we cannot improve our Civil Service so that all communities may be available to us in the development of the country without feeling that they are not being given a square deal.

I have very few remarks to make on the D.A.R.A. Estimates, and I think the reason is that I am in general unhappy about the report of the Development Committee. I must not, however, fail to congratulate the members of the committee, for no one can say that they did not put in a great deal of their time and thought into producing what has been described. I must say rightly, by my hon. colleague as “The Yellow Peril”. On that point I think we must be grateful to them! But on matters of detail and looking at it as from the African end, I must say that the African people are extremely disappointed at the Development Committee Report as far as the recommendations affecting the African community are concerned. How can we develop this country unless, as we say, we raise the national income of the country? We cannot. But how can we raise it if the majority of the inhabitants of the country cannot contribute very largely to that rise? And I submit that the African people will not be able to contribute to the raising of the national income if they have not the proper training on a wide, comprehensive basis.

The recommendations for educational development leave the African cold when he reads them, a ten or twenty year period. I would like to say that if we are to raise the national income the person who can raise it more if he is given equal opportunity, as my hon. colleague said, is the African. If we are to increase the national income of the country at

£1 per head per month, there are over four millions of Africans, and if each African gets £1 per head per month we have four million pounds straight away, but if we increase the national income on the European community which is 20,000 strong, we only have £20,000; if Asian community, for argument's sake is 60,000, and we only get £60,000, so that if we want more let the Indian be content with what he has and the European, but increase the same things for the African community.

I am closing now, and I should like to support the motion before the Council, and to say that when the estimates are referred to the Standing Finance Committee that that committee will see whether they cannot improve the previous recommendations in the estimates regarding the expenditure on the African social services, because I believe that that is really one of the big problems that we have to tackle, and we can only do so if we have large sums of money spent on these services, and in that way produce a Kenya that is prosperous, that will stand on its own in the world.

I beg to support.

MR. KILLICK: Your Excellency, hon. members in their remarks and criticisms of the budget have not raised many points directly affecting the work of the department for which I am responsible, and matters connected with agricultural policy and the agrarian problem in native areas which, as the hon. Member for Ukamba mentioned a day or two ago, is the basic fundamental, and by far the most important of the problems, in my view at any rate, facing the country to-day, such matters, under the recent reorganization, now fall within the province of the hon. Member for Agriculture, and I shall not touch on them except indirectly. There have been, however, one or two questions raised and points made in the debate to which I shall endeavour to reply.

The first is the matter raised by the hon. member Mr. Thakore and the hon. Member for Western Area on the subject of Controls in general and the Maize and Produce Controls in particular. I feel justified in dealing with the points raised on these two subjects for, as hon. members are aware, at one time I was unfortunate enough to have to take

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charge of these two Controls, and when the hon. member Mr. Thakore advocated the early abolition of Controls as soon as possible I certainly sympathized with him, and feel sure that the first person to welcome the abolition of Controls will be the Controllers themselves, for it is a thankless task. At the same time, there are difficulties, particularly in regard to the food situation, to which I shall refer in a moment.

Before doing so, I would like to take up two points made by the hon. member Mr. Thakore: the first is on the quality of edible oil and the second on the question of rice.

The hon. member quoted the poor quality of simsim oil which was supplied by millers working under Control direction. I think, as a matter of fact, that he was in error there and was referring to cotton seed oil, since no simsim oil is at the present time available in Kenya. Regarding cotton seed oil which, as hon. members know, supplies come from Uganda, it is true that in some recent consignments the quality has been poor, or part of the consignment has been poor, but these portions of the consignments were returned to the suppliers in Uganda and replaced. On the general question of Control operations, when the hon. member alleged there was no stimulus to maintain quality, I would point out that under the system operated by the Produce Control in controlling the quality of edible oils, he operates a system under which the millers obtain an impress of seed against which holders of permits are entitled to cash permits against the miller of their choice. Therefore, if any holder of a permit is not satisfied with the quality of the oil produced by any individual miller he is perfectly free to cash the permits with another miller, who in his opinion will produce a satisfactory quality. I think that there is a measure of control over the quality of the oil produced, and there is a measure of competition introduced by the impress system which I dealt with.

The second point to which the hon. member Mr. Thakore referred was the question of rice, and I think he mentioned that in his view the operation of the Rice Control encouraged the black market. The position in regard to rice is

extremely difficult now. Prior to the war, as hon. members are aware, the main supplies required in Kenya came from Burma or Tanganyika; very little was produced in Kenya itself. The position changed during the war. Supplies from Burma were cut off and, unfortunately, owing to the drought conditions, supplies from Tanganyika have been very short indeed. The production of rice in Kenya has been stimulated, but even so the supplies are far below requirements. However, the fact remains that all these supplies of rice that come into Control hands—and they are, I maintain, the greater proportion of the total produced—under the Control system can be allocated fairly to the consuming population in accordance with priority commitments, and at the present time, as hon. members are aware, rice is only made available against rationing to the Asian community and, further, to the Asian children. I maintain that if Rice Control was abolished the totally inadequate supplies would all disappear into what is called the black market, and a few favoured people would obtain those supplies to the detriment of the Asian community and, in particular, to the children of the Asian community. I cannot accept from my point of view, the suggestion that the operation of the Rice Control does encourage black marketing.

I would turn now to the remarks made by the hon. member Archdeacon Beecher and, in particular, to one question he asked; that is to say, what steps were being taken both in non-native and native areas to reduce or abolish maize milling? I think he coupled with that remark the suggestion that Government was wrong in guaranteeing prices to producers for maize for a further two-year period, while at the same time it was in his view so necessary to reduce the acreage cultivated angually with maize. I would point out that the maize problem is, of course, only part of a general problem; in other words, it is really a symptom of a disease. It is an indication that the land is not being properly farmed, and therefore in tackling this question of maize milling it is equally important—in fact fundamental—to tackle the whole problem of correct and proper land utilization.

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What we are endeavouring to aim at is higher yields per unit rather than small yields from the very vast areas now planted with maize only. In advocating a reduction of maize planting, I think the hon. member did not, perhaps, take into account sufficiently the present food position of the Colony, and I would also refer in that connexion to some remarks made by the hon. Member for Western Area when, if I heard him aright, he expressed the fear that other East African territories would in the very near future produce their own cereal requirements and, in fact, I think I am correct in saying, he made the statement that it may be only a year before we shall not know what to do with our surplus. From the point of view of the agricultural prosperity of this country, I must say that I very much would like to see the other East African territories producing their own requirements. (Hear, hear.) Unfortunately, that does not appear to be possible, and perhaps for the next year or two Kenya will have to continue to be regarded as the granary of East Africa. I would not like my remarks to be interpreted as supporting uncontrolled cultivation of large areas of maize. I only want to draw attention to the other side of the question with which the country is unfortunately at present faced. That is to say, very little hope of our being able to import cereals from overseas, and for the next year or two, at any rate, we shall have to rely on ourselves to supply our own essential cereal requirements.

As an indication of the gravity of the problem, I would mention that for feeding African employed labour in Kenya alone the present estimate of annual requirements is some 1,500,000 bags of cereals, and these, in present circumstances, as I have indicated, have to be found from somewhere. On the one hand we have to introduce as soon as possible better systems of farming, to stop the deterioration which is at present taking place, and has for the past few years, in the Territory of the lands of this colony; on the other hand, we have to meet, if starvation and famine conditions are not to be with us, essential food requirements.

To go back to the question asked by the hon. member, what are we doing to

stop maize mining. I would refer first, if I may, to what is being done in the non-native areas of the Colony. In those areas, under the provisions of the rules made under the Land and Water Preservation Ordinance, very close control is now and to an increasing extent being exercised under the provisions of that ordinance. That is to say, orders are served on individual farmers, not only in regard to the institution on their farms of adequate soil conservation measures, the prohibiting the cultivation on the banks and margins of rivers and streams, but also requiring farmers to put certain fields out of cultivation and to ensure that they go back to a period under grass leys. You will see, therefore, in such cases something tangible is being done to reduce maize mining.

In the native areas the position is, of course, not so simple. Hon. members will have had an opportunity of reading and digesting my dispatch No. 44, sir, in which the complexities and difficulties and the ramifications of the problem are fully set out and, as I have indicated before, it is quite impossible to tackle this question of maize mining in the native areas as a subject apart. The whole problem has to be approached and tackled from the same fundamental basis. Again, if maize cultivation was arbitrarily prohibited in a native area or any part of a native area, account must be taken of the effect that such a prohibition would have on the food position of the African families in that area and, also, before such a step could be taken, it would be necessary to afford the population in such an area an alternative source of income.

It is for that reason that I would appeal to the African leaders to do what they can to create a strong public opinion in regard to the replanning and the change over in the agricultural farming system which must take place in the native areas before such individual problems as maize mining can be tackled. As I have indicated, in the non-native areas very stringent control measures are now in force, and I think I am correct in saying that, with very few exceptions, the bulk of the farming community is behind the action that has been taken. Certainly there have been very few objections to the orders that have been made, and I feel that until we get a

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change over in African public opinion it is going to be extremely difficult to make the progress we all desire.

It is for that reason that I must say I was disappointed to hear the hon. African member, Mr. Mathu, refer once again to the report of the Development Committee as the "yellow peril", because I feel that from the agricultural side the whole basis of the recommendations contained in the report is to improve the standard of living of the African family and, as he rightly pointed out, until that can be done we cannot look for any material or permanent progress in African land development. (Hear, hear.) While on that point, I would refer briefly to one or two further remarks made by the hon. member in reference to particular aspects of the work of the Agricultural Department.

He referred, and I must agree with him, that the standard of present day agricultural instructors is not all that it should be. That is appreciated, and steps are being taken as the hon. member is, I think, aware, in regard to the establishment of two training centres for agricultural instructors at Embu and Maseno, and when we get those establishments going and can give the men at them a proper course of training, I feel that considerable improvement will be possible in the standard of agricultural instructors employed by the department. He also made reference to the need for the encouragement of what he called protective crops, and he mentioned eggs and milk and affirmed that in his view the increased production of these crops was most important. Well, I agree with him to a point, and while I appreciate the need for improved nutrition among the African population, from my point of view I would say the most important crop in this country should be grass.

On the question of the need for enlightened African public opinion, there are hopeful indications that in certain areas at any rate that is to some extent taking place. I would refer to the position as it now exists in the Fort Hall district, in Kiambu district and among the Kipsigis, where there are in active operation a number of local agricultural committees, shall I call them, nominated by the people themselves, who are

actively engaged in taking and encouraging measures designed to improve agricultural conditions in those areas. I would mention in this connexion that, during the period January to June, 1946, some 23,000 acres were terraced in the Central Province, mostly in the Fort Hall district. I would be the first to admit that this terracing of land is only one part of the whole problem, but it does show an awakening interest by the people themselves in the need of maintaining and improving agricultural conditions in those areas. Obviously, if we are in a position to graft on to that terracing work such measures as strip cropping, such measures as the use of manure, then which I hope will be the next step, then I submit that we shall have made a great advance in what we all desire, namely, to stop the further deterioration of native lands.

The hon. Member for Trans Nzoia made reference to maize in Ukamba, and gave it as his view that maize should not be grown in Ukamba, but that the cultivation of such crops as mtama and beans should be encouraged as an alternative to maize. I agree with him, and it has been the policy of the department for a number of years to encourage in those areas mtama, the cultivation of sorghums, particularly during the short rains, in the drier areas of the Central Province.

The hon. member Mr. Naitoh referred to the provision which had been made in regard to Indian agriculture, and he said, if I heard him aright, little provision had been made in the 1947 Estimates. The hon. Member for Western Area also referred to the same subject. The latter member is, I think, aware of what is being done by the Indian and Arab Settlement Boards under the chairmanship of the hon. member Mr. Patel, which Board is entrusted with the task of seeing what can be done not only in regard to new settlement for Asian agriculture, but also in regard to improving the conditions under which the small Asian farming community in the Nyanza Province is operating at the present time. It is true to say, perhaps, that the work has not advanced to any final point, but the board has had, I think, three meetings and is continuing its work. The hon. member will also have noticed from the report of the Development Committee

the Ministry of Agriculture has been included in the present as a block allocation for these purposes.

The hon. Member for Western Area (Mr. Mbatia) made specific reference under the Agriculture Department, Extraordinary, to the production of vegetable seeds, and I would like, if I may, very briefly to mention that the title of the vote is perhaps somewhat misleading in that the objective of the work is that during the season when it became impossible to obtain large quantities of vegetable seeds from overseas, this branch of the department was concerned with producing the required seeds locally. The position during the last year or perhaps earlier months has changed, and the facilities of this branch of the department are now to endeavour to encourage the production of lower and intermediate seeds for the United Kingdom and continental markets. It is a very continuing side line, if I may so call it. In the present time United Kingdom seed merchants are very anxious to establish contacts with East Africa and to secure from East Africa bulk supplies of horticultural seeds and flower seeds.

The further point below I finish with a request made by the hon. Member for Western Area in regard to the proposed increase in salaries as between the two posts of the Department of Horticulture and the posts of the Director of Agriculture and the Director of the Kenya Agricultural Experiment Station. I am not sure whether it is possible to make any comparison between the two posts. I am not sure whether it is possible to make any comparison between the two posts. I am not sure whether it is possible to make any comparison between the two posts.

only, the 1947 Estimates show that apart from administrative services and research services common to both sides, the amount budgeted for agriculture is £11,296, and for native agriculture £20,009. I feel that that is a very fair proportion as between the two claims made on the department, and I cannot admit—if I heard his objection again—that the balance is in favour of native services.

The final point to which I wish to refer was a remark made by the hon. member Mr. Mbatia in connection with the draft vegetable factory at Karumiti. I will not deal with the land side, with which I am not competent to deal, but I will make a brief reference to this project for the following reason. In the first place I should say that I know the hon. Financial Secretary has under very close consideration this proposal, and he perhaps will refer to this in his remarks. I am on the purely agricultural side, and I should like to mention that the operation of these factories—there were two of them during the war here at Karumiti, and Kericho—have not only produced very valuable and much needed supplies for the military, but they have also concerned a great number of my fellow countrymen in the area, and I should like to mention that the operation of these two factories, if they are carried out, will be a very big thing for the area.

I should like to suggest that the hon. Member for Western Area should be consulted on this matter, and I should like to suggest that the hon. Member for Western Area should be consulted on this matter.

(Mr. Patel) of putting certain revenue to the credit of a certain community continued, or putting expenditure also in certain votes to the debit of a certain section of the population. We cannot all of a sudden remove that unfortunate legacy, but I submit that we should not add to this procedure and practice. Whatever one might say when arguing the question of revenue (and expenditure, it cannot be denied that most of the members approach it, consciously or unconsciously, from the racial point of view. I submit that we should not approach the question of revenue and expenditure from that wrong angle. I was surprised and rather pained to see that those who should give a lead in this direction used expressions to this effect: that the Europeans are treated unfairly and unjustly, there is no equitable distribution of taxation, there should be an inquiry into the incidence of taxation between the communities, there should be a better spread of taxation, that the present taxation system presses unfairly on one community, and so on.

The question is whether we should approach the whole question of revenue from the point of view of each individual race or from the point of view of national revenue and national income. Do we want to approach the question in this Colony every time from this racial aspect, or do we want to approach the whole question as one community? If we want to approach the question as one community, I submit we will have to divide the country not as Europeans, Indians, Arabs and Africans contributing the revenue, but as upper class, middle class, lower class and labouring class contributing to the revenue, and if by accident of historical events a certain race is placed in the position of the upper class of this country, well, they are fortunate enough to get more income and control more wealth, and they have the fortunate duty of paying more revenue (Laughter).

When one applies one's mind from this angle, it will be found that all these objections to the payment of income tax and argument to the effect that it is pressing hard on one community is sheer nonsense. The suggestion was also made that we should increase the excise duty

on sugar and tea, or that there should be a cattle tax. I fail to understand these arguments. It can only be explained by the fact that these gentlemen approach the whole subject, unfortunately, from a racial point of view, though they protest strongly when any of my hon. colleagues make a slip and discuss any question from that point of view. (Laughter.) I know that the hon. member Mr. Pitman was told privately by several of my European colleagues that he should not have disturbed the happy mood of this Council on this occasion, but one has to discuss these questions, though gently, and remind them that their approach to the whole question of taxation is nothing but racialism.

I should like here to quote one extract from a very well known English author. He says: "The subjects of every State ought to contribute towards the support of the Government, as nearly as possible in proportion to their abilities—it is not physical abilities, but financial abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State." (Hear, hear.) It is suggested that income tax is not in proportion to the revenue enjoyed by the people under the protection of the State. (Mrs. Watkins: It is not paid.) I will refer to that subject in a moment. I would, as an Indian member, put this not in my own words, but rather quote what a European correspondent wrote in the East African Standard of the 19th of this month, when he expressed my point of view very well. He said: "If, sir, you and your readers can see their way to accept as an analogy the very rough (and rather snobbish) generalization that in Kenya, as compared with

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that a sum of £100,000 has been included in the report as a block allocation for these purposes.

The hon. Member for Western Area queried one specific vote under the Agricultural Department Extraordinary, the provision of £4,000 for purposes of the production of vegetable seeds, and I would like, if I may, very briefly to refer to that. The title of the vote is perhaps somewhat misleading, in that the object of this work is this. During the war, when it became impossible to obtain large quantities of vegetable seeds required from overseas, this branch of the department was concerned with producing the required seeds locally. The position during the last year or perhaps eighteen months has changed, and the activities of this branch of the department are now to endeavour to encourage the production of flower and horticultural seeds for the United Kingdom and continental markets. It is a very promising side line, if I may so call it, at the present time. United Kingdom seed merchants are very anxious to establish contacts with East Africa and to obtain from East Africa bulk supplies of horticultural, vegetable and flower seeds. I feel sure that if we can get ourselves established on this market it may be possible to build up a very profitable minor industry in Kenya. At the present time during the current year some 50 growers are growing seeds to an estimated value of £14,000 sterling, under contract with the United Kingdom seed merchants, and it is a branch of the work which I am very anxious to see continued. (Hear, hear.)

Two further points before I finish. One is a remark made by the hon. Member for Western Area in regard to the proportionate expenditure as between services given by the Department to non-native agriculture and to native agriculture. I may not have heard him correctly—I was not quite able to digest the large volume of figures he mentioned—but I think his argument was that the amount of money spent by the various departments, and he mentioned the Agricultural Department, on non-native services was out of proportion to the amount spent on native services. In regard to the Agricultural Department, and I am speaking of that department

only, the 1947 Estimates show that, apart from administrative services and research services common to both sides, the amount budgeted for non-native agriculture is £11,296 and for native agriculture £60,009. I feel that that is a very fair proportion as between the two claims made on the department and I cannot admit—if I heard his contention aright—that the balance is in favour of non-native services.

The final point to which I wish to refer was a remark made by the hon. member Mr. Mathu in connexion with the dried vegetable factory at Karatina. I will not deal with the land side, with which I am not competent to deal, but I will make a brief reference to this project for the following reasons. In the first place I should say that I know the hon. Financial Secretary has under very close consideration the future of these factories and he perhaps will refer to this in his remarks, but on the purely agricultural side I should like to emphasize that the operation of these factories—there were two of them during the war years, Karatina and Kerugoya—have not only produced very valuable and much needed supplies for the military, but they have also conferred a great benefit, in my view, on the African farmers in the area served by these two factories. It has enabled such farmers to change over from what was formerly largely a maize growing area to a much greater variety of crops; it has led to a system of much more intensive cultivation, partly under irrigation, and for my part I should much regret it should the position arise and it become necessary for this factory at Karatina to cease operations at the end of this year.

I beg to support the motion.

MR. PATEL: Your Excellency, this debate has taken an unduly long time, and I propose also to make my contribution commensurate with that (Laughter.)

In the first place, as matters of detail have been dealt with by my hon. colleagues, I propose generally to make my remarks on certain broad principles, first dealing with the question of revenue.

I think the whole question should be approached from the point of view of one community of Kenya and not as separate groups, but unfortunately we have seen in these Draft Estimates the practice

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of putting certain revenue to the credit of a certain community, continued, or putting expenditure also in certain votes to the debit of a certain section of the population. We cannot all of a sudden remove that unfortunate legacy, but I submit that we should not allow ourselves to be influenced to add to this procedure and practice. Whatever one might say when arguing the question of revenue and expenditure, it cannot be denied that, most of the members approach it, consciously or unconsciously, from the racial point of view. I submit that we should not approach the question of revenue and expenditure from that wrong angle. I was surprised and rather pained to see that those who should give a lead in this direction used expressions to this effect: that the Europeans are treated unfairly and unjustly, there is no equitable distribution of taxation, there should be an inquiry into the incidence of taxation between the communities, there should be a better spread of taxation, that the present taxation system presses unfairly on one community, and so on.

The question is whether we should approach the whole question of revenue from the point of view of each individual race or from the point of view of national revenue and national income. Do we want to approach the question in this Colony every time from this racial aspect, or do we want to approach the whole question as one community? If we want to approach the question as one community, I submit we will have to divide the country not as Europeans, Indians, Arabs and Africans contributing the revenue, but as upper class, middle class, lower class and labouring class contributing to the revenue, and if by accident of historical events a certain race is placed in the position of the upper class of this country, well, they are fortunate enough to get more income and control more wealth, and they have the fortunate duty of paying more revenue! (Laughter.)

When one applies one's mind from this angle, it will be found that all these objections to the payment of income tax, and argument to the effect that it is pressing hard on one community is sheer nonsense. The suggestion was also made that we should increase the excise duty

on sugar and tea, or that there should be a cattle tax, or that there should be a graduated poll tax for Africans. This is also, whatever one may say, an approach from the racial point of view. I heard the leader of the European Elected Members saying that the customs duty should be reduced by £100,000 to give relief in regard to essential articles, and I heard other members saying that we must give relief to people in the lower income group, and at the same time, in another breath, they come forward and say that the excise duty should be increased on sugar and tea, and that there should be a graduated poll tax for the African, and that there should be a cattle tax: I fail to understand these arguments. It can only be explained by the fact that these gentlemen approach the whole subject, unfortunately, from a racial point of view, though they protest strongly when any of my hon. colleagues make a slip and discuss any question from that point of view. (Laughter.) I know that the hon. member Mr. Pritam was told privately by several of my European colleagues that he should not have disturbed the happy mood of this Council on this occasion, but one has to discuss these questions, though gently, and remind them that their approach to the whole question of taxation is nothing but racialism.

I should like here to quote one extract from a very well known English author. He says: "The subjects of every State ought to contribute (towards the support of the Government, as nearly as possible in proportion to their abilities"—it is not physical abilities, but financial abilities—"that is, in proportion to the revenue which they respectively enjoy under the protection of the State." (Hear, hear.) It is suggested that income tax is not in proportion to the revenue enjoyed by the people under the protection of the State. (MRS. WATKINS: It is not paid.) I will refer to that subject in a moment. I would, as an Indian member, put this not in my own words, but rather quote what a European correspondent wrote in the *East African Standard* of the 19th of this month, when he expressed my point of view very well. He said: "If, sir, you and your readers can see their way to accept as an analogy the very rough (and rather snobbish) generalization that in Kenya, as compared with



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Britain: upper classes, Europeans; middle classes, Asiatics; lower classes, Africans; you will realise why it must inevitably be, that, with many exceptions I hope, the principal payers of income tax will be Europeans. I am not stating this as an Indian, this is what a European correspondent states—"The only alternative would be for Europeans to abdicate their position as leaders, with its concomitant responsibilities and privileges. Personally I have no grouse. I do not suffer from the exaggerated 'property complex' which agitates the bosom of the politically vocal section of the European community. If, through the efforts of my European, Asiatic and African staff, my profits are high this year, I shall write the cheque for income tax with no different feelings from those with which I write cheques for their monthly salaries".

This question should not be confused with the issue of evasion. I shall deal with that presently. In the first place what I want to say is that the whole question of taxation should be approached as it is approached in other countries, from the point of view of ability to pay, and those who are in the position—shall I say the very fortunate and privileged position—of making more money should pay more taxes. If we accept the fact that we should in this country in future, as far as possible, approach our taxation system from a national point of view and not from a racial point of view, I am afraid all this fuss about taxation pressing hard on one community and about there being no equitable distribution of taxation is, I repeat, sheer nonsense. I agree that there are certain arguments which can readily be advanced against this. One might say: "Oh, what about the standard of living of the different groups?" or "What about the question of evasion; you do not get taxation from all people?" On the question of standard of living, if it is examined very carefully it will be found that any member of any race raises his standard of living as soon as it is practicable to do so. I can say that, within my experience of the last twenty years in this country, the average standard of living of the Indian has risen much higher than it was when I came to this country; and it will be found in any part of the world that the

standard of living is bound to rise if people have opportunities to make money. The other thing is that, instead of perpetuating for all time a racial system of taxation, the wise course is that efforts should be made to raise the standard of living of all groups, so that they may make the necessary contribution to indirect taxation, and thereby avoid an inevitable struggle and conflict at a future date to abolish a racial system of taxation. That is, in my submission, the wisest course.

The second question is the subject of evasion. I have spoken on this in this Council many times and I do not want to repeat my arguments, but I think the whole question has been approached from a wrong angle. We, the Indian members—and I speak on behalf of my colleagues—are prepared to support any measures to suppress evasion. (Applause.) The argument of evasion should not be advanced in order to consider the question of taxation from a racial point of view. There is a very interesting remark made by that European correspondent in his letter I have just quoted. He says: "In Britain there was as much talk of 'evasion' as there is here. As I have tactfully hinted above, the people who find evasion easiest and least dangerous are those small business men and (let's face it) small professional men who collect their dues in cash and do their own books (if any) without outside assistance. In England everyone jokes about what goes on in Petticoat Lane—in comparison the bazaar in any Kenya town is priggishly strait-laced—but I never saw any indignant letters in *The Times* from Mr. Swan, nor did I hear any harangues from Mr. Edgar. Let us take a leaf from their book and thank God that we are not as other men are!" (Laughter.)

It is true that perhaps in the case of small companies run by my community it is easier to evade income tax than in the case of the big concerns with large capital run by the fortunate sections of the population. But again I say for that purpose I am prepared to support any measures which are necessary to suppress evasion, but that must not be advanced as an argument that we must be racial in taxation measures. It is wrong to approach the subject on a racial basis,

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and I expect those who are in the fortunate position of being placed as leaders in the political, economic and social field of this country, to give a lead to us and say: "Let us behave as one community and not as racial groups", and not to say to those Indians, Africans and Arabs who are on the lower income tax level that they must pay some tax on a racial basis, and that they are the only people who are evading taxes, and so on." We expect from these leaders of the country, who have said enough during the last few months from a racial point of view, to show us some better and more proper course of behaving in this country. With these remarks, I wholeheartedly support the revenue system which is reflected in the Draft Estimates. However, I am prepared to say this, that if on actual examination in the Standing Finance Committee the unofficial members of that committee are able to reduce expenditure then I shall be prepared to support a reduction in revenue, otherwise I believe that the revenue as shown to-day in the Draft Estimates will have to be supported, and that screeching against it is merely a waste of time.

I know that some people have shown a method of reducing wholesale by one shilling in the present rate of income tax by suggesting an increase in the excise duty on tea and sugar and so on. It was argued, I think, by one hon. member that an increase of 3 cents in the lb. on sugar would bring in £90,000, and if it were 5 cents it would bring in £150,000, and that that would not affect the ordinary man. Perhaps it may not affect the European and Asian communities, though I doubt it very much for Asians in the lower income group, but it certainly will affect the large majority of Africans. I will give an instance from India. Salt in India was one of the cheapest commodities. Excise duty on salt was increased by a cent or so a lb. in spite of opposition, as a result of which the consumption of salt, a most necessary article of food, was reduced to a great extent. To suggest that to increase the excise duty by 3 or 5 cents a lb. on sugar will not make any difference is, in my opinion, showing colossal ignorance of the paying capacity of these small wage earners with an income of Sh. 12 or

Sh. 20 a month. I, personally, think that all these suggestions of transferring the burden of taxation from the upper classes to the middle or lower classes of this country is not a new argument on this planet. It has been advanced in all countries. The upper classes have always resisted the payment of revenue as much as they can as a class, and they consciously and unconsciously join together as a class in their desire to pass on some of the burden to the middle and lower classes. There is nothing new in it, it has happened in all countries, and I am not surprised at the upper classes in this country doing it.

Here I may say this. If a few of my Indian friends who can be classed among the upper class could change their skins by some magic, they would also join the upper class argument which is being advanced to pass on the taxation burden to the lower class. I wholeheartedly support the general principle advanced by all members on this side that the lower income group should be granted relief, but I have a proviso to add that it should be granted on a non-racial basis. If those who advance the argument for granting relief in the lower income group say that it should be reserved for certain races only, I disagree with them. This is important in regard to revenue estimates, and I hope that the Government will not be frightened as most Governments are of facing such issues when they have to deal with the upper class, and succumb to the strong agitation of those who can afford to pay, when they should be told that those who make money will have to pay. (Laughter.)

The next item I would like to refer to in broad terms in the question of expenditure. As I have indicated, I have no desire to go into details. I find it hard to say how the expenditure should be reduced in any direction or in any manner. As a matter of fact, if I would take the time of the Council I have many proposals to make for the expenditure to be increased in certain directions. However, I have two general remarks to make. One, in my present non-racial mood, I wholeheartedly support the proposal which was made by the hon. member Mr. Mathu—that we should have a non-racial Civil Service. I think one can realize that this is rather difficult to



[Mr. Patel] embark on immediately, but one thing can be done, which I mentioned very strongly last year, and about which I do not propose to take up the time of Council now, that the salary attached to a post should consider the responsibilities and nature of the work to be performed, and that there should be engaged in that post someone who is competent to carry out those duties and would accept that salary. Otherwise, with present ideas of standard of living of certain people in this country, what happens is that a post which costs us, say £250 to-day, the occupant retires and the post immediately goes to £500. The expenditure should be scrutinized very carefully, particularly in the junior and clerical posts, to see that their cost is not increased by keeping in view this principle of payment according to post and not the person. It may sound something of a racial proposal, but I hope the Don Small Committee will keep this before them and examine and recommend to Government that, instead of increasing the salaries as the occupants of certain posts are changed, the salary should be attached to the post considering the responsibilities and nature of the work to be done, and then employment should be made free of race or creed until the time comes when we are fortunate enough to evolve a common Civil Service for the country so much desired by the Colonial Office.

The second general remark that I wish to make is that the Standing Finance Committee should carefully examine in what way the expenditure on the various Controls can be reduced. I know that Controls played a very important part during our difficult period and did very good work in maintaining supplies and prices in this country. At the same time, there is always a serious danger of Controls being entrenched in their positions and of others with vested interests supporting them against the desire of the general public and reduting their abolition by putting forward plausible arguments. That is the reason why I desire the Standing Finance Committee to carefully examine the various Controls. I would, however, like to mention two things. One is that importers have at present, according to past performances, the right to import certain quantities, and in

doing so they do not care two hoots for the public. It is something like blind buying overseas. There is no question but that the quality of the goods imported lately is not good, and certain retail traders have stocks on their hands that are absolutely unsalable. It is, therefore, essential to revise our attitude on the whole question with a view to allowing private enterprise to operate so that both quality and price can be made reasonable.

The other point is concerning my own community. A reply has been given by the hon. Director of Agriculture in regard to rice. That does not satisfy me. I think he advanced very good arguments. But I may say that even in October, 1945, I wrote to the Controller of Produce Disposal pointing out the serious shortage of rice. He said that he was making inquiries to ascertain whether any rice could be expected from South African territories or from the Congo, and that meanwhile he was requesting the Produce Controller to purchase any of the small quantities so far offered by the Congo to accumulate a special reserve stock for issue to Asian children and invalids. It should have been known to this Government, if they cared for the interests of my community, that rice is one of the main items of diet for the majority of Indians settled in this country, and steps should have been taken to see that a reasonable supply of rice was available. What has happened is not that the Control has not only encouraged the black market but it has resulted in black marketing. If I cannot get rice and I cannot go without rice the only alternative left for me is to go to the black market and say: "Charge me anything, but I cannot live without rice". I say that the Director of Produce Disposal has not taken sufficient steps to see that Indians get a reasonable ration as regards rice. To-day, it is rationed to children only, but I may say that all Indians buy in the black market and do eat rice, in spite of their ration being stopped for a long time. As to what steps have been taken to obtain rice I would like an answer from some member of the Government. I would like to know if representations have been made to the Food Control Board in London to allow some quantity of rice to be imported for the purpose of supplying at

[Mr. Patel] a minimum quantity of rice for Indians here, as that is one of the important items of their diet.

A certain firm approached me and asked me to intervene to get permission for them to import 1,000 tons of rice from Portuguese East Africa and a certain quantity from the Belgian Congo, but owing to various difficulties that permission was not granted. It is all very well to raise objections to importations on the ground of exchange or that the price for the quantity offered by Portuguese East Africa was high, or to say that an allocation of that rice has been made for other parts of the Empire. What I want to know is, was any serious effort made to get an allocation from the Food Control Board in London for a reasonable quantity of rice for the Indian community here, and if not, I want to know who was responsible for it. The majority of Indians cannot do without rice, and they are paying Sh. 2/50 to Sh. 3 in the bazaar a lb. while Portuguese East Africa was offering it for Sh. 1 a lb. and the Belgian Congo also I understand. I am quite conscious that some very good explanation will be forthcoming, but I must say it will not satisfy me. For this reason, that if that situation had arisen for some of the more vocal or influential sections of the population, heaven and earth would have been moved to satisfy their needs! (Laughter.)

Having said that, I would come next to two or three complaints which are typical of showing how things are being done where Indians are concerned. One is about the Alifan Vissam High School at Mombasa. When I raised the question last year the hon. Chief Secretary told me that nobody had brought that matter to his notice during the five years he had been in this country. I agree that it was not raised in this Council, although it was raised several times on the Advisory Council on Indian Education and in other places. Last year I deliberately raised it in this Council because no remedy was forthcoming. As is well known, the site of the school is so small that no extension can be made. Government selected that site about 23 years ago, and it is surrounded by cemeteries. I want to know from whoever can answer me whether Government entered

into a solemn agreement that a playground would be provided for that school, if that agreement was entered into with the then Governor of the Colony and the donor of the school, and whether that agreement of 23 years ago has been fulfilled. I would like to have a straight answer and not a mere explanation. I see in the Draft Estimates that there are grants for groundmen and extensions of playgrounds and so on for other sections. I do not begrudge them, but here no ground has been provided in spite of a solemn agreement made 23 years back.

I would support the suggestion of providing new police lines in Mombasa instead of keeping them at Mnazi Moja, because unless that is done the Indian elementary school that Government has intended to build for the last three years cannot be built, and though money has been provided in the estimates so many times nothing has happened, because we are told that unless the police lines are moved the school cannot be proceeded with.

The question of the Asian Civil Service has been mentioned sufficiently by my hon. Indian colleagues. But I should like to point out one thing, that if we examine the question very carefully—and I appeal to you, sir, to apply your mind personally—it will be seen that from 1908 to 1946, whenever the Asian Civil Service made representations, their terms of service were examined and were improved in some respects while in another respect a retrograde step was taken, but on the whole they stayed where they were, while every time the European Civil Service went a step forward. I am prepared to produce figures to whoever wants to challenge me from the official side to show that from 1908 the terms of the Asian Civil Service have been reviewed and examined about four or five times, but still they are where they were, except for the creation of a small special grade, to which I may say the Asians are not generally promoted, but it is there on paper. The other thing is that during the last five or six years many inquiries have been made in regard to the European Civil Service, while the Asian Civil Service, in spite of several representations, have not been successful in their efforts to reach finality on any point. That is the reason

[Mr. Patel] why I once moved a motion in this Council, when we were discussing the question of some pensions—I forget quite what it was—that when the terms of service concerning the European Civil Service or any other service have to be examined, all the three services should have their terms examined at the same time and the public at the same time. Otherwise it invariably happens that, in the case of one service, matters are examined and improvements brought into operation, whereas in regard to the other service they are told, according to an Indian proverb which says "Son, get old and you will be married", and these promises are never fulfilled. The same thing happened in regard to the Indian teaching staff in the Education Department. I do not want to waste the time of Council by referring to it because it has been referred to so many times.

There is one point I should like to place on record in this Council in regard to the Mombasa Municipal Board, and I hope I shall have an answer from the Member for Health and Local Government. The position is this. In 1929 a deputation consisting of the late Mr. Pandya, who was a member of this Council for many years, the late Mr. Hussein Abdul Rasid, son of that well known Indian who donated the Alladin Visram High School, and myself, saw the Commissioner for Local Government on this point, who was then Mr. Logan, and we discussed the question of representation on the Municipal Board of Mombasa. The question under discussion was in regard to six official seats, including the District Commissioner. I was present, and I am the only one of the three alive now. That is why I want to put it on record, because I understand there is no record of it available. The three of us who discussed this question were not then in the happy position of leading the majority of the Indian community, but we were only the leaders of a minority. We discussed the question of Indian representation on municipal boards, because the Indian community was then non-co-operating in the municipalities on the issue of a common roll.

We three advised Mr. Logan that we were prepared to do our best to see that

seven Indians took their seats on the non-official side of the Mombasa Municipal Board, provided the question of the official seats was discussed and decided, and we requested that out of these six seats there should always be one Indian official. I remember—even now—very clearly that Mr. Logan said to us: "But where is the Indian official in Mombasa—they are all clerks". That was at the time when the late Mr. Bomanji was acting as District Treasurer. So we said: "Yes, Mr. Bomanji is there—he is District Treasurer. You could appoint him". So he agreed with us that an Indian official would be appointed as one of the six members. The late Mr. Bomanji was appointed as a member and after his death the late Mr. Mohiamed Alan, who was a senior official in the Railway, was appointed. After his death Mr. S. G. Hassan, of the Veterinary Department, was appointed. From 1929 to 1946 these three gentlemen occupied a seat on the Council as one of the six officials, in my submission in pursuance of an arrangement which the Indian delegates of the Indian Association made in 1929. Against the desire of the majority of the Indian community we three members who made the bargain with Mr. Logan forced the issue and got other seats occupied by Indians later on.

In June, 1946, because the Commissioner for Local Government wanted to appoint an African member, he abolished the appointment of the Indian member without even informing us, without having any consultation with the Indian community, and I strongly register my protest against that on behalf of the Indian community of Mombasa. It may be that the Commissioner for Local Government was faced with a very delicate task of creating an unhappy balance of the various groups by appointing an African without abolishing the Indian seat, but even then he should have at least seen fit to tell us that, by the appointment of one African member, the balance of the various groups was likely to be disturbed, and would we be reasonable chaps and allow him to delete the Indian official so that the African member could be appointed. Nothing was done and no courtesy was shown, and I strongly register my protest and say that it is a breach of the agreement made in 1929.

[Mr. Patel]

Having said that, I now come to my next point, and that is that I feel from my own experience that the point which was raised by the two hon. members representing African Interests for an increase in African representation deserves very careful consideration. I know that we five Indian members often find it difficult to carry out our duties successfully because of the difficulty of finding man power for the various committees and duties, and I can well imagine how hard it must be for the two members representing African Interests to attend to all the duties concerning such a vast population as four million, and I think it is time very careful consideration was given to meeting that difficulty. It is a request which I support from my own experience.

The last point to which I want to refer is the 'Development' Committee Report. Though it is the last point, I have many points to make. I must say in common with other members that it is an excellent document. It is a very sincere and honest effort made by the members of the committee to put forward proposals for the development of this country, but I cannot help making the remark that it is rather one-sided, and when I say it is one-sided I mean that there is not much for the African section and there is still less for the Indian section. I appreciate the difficulties of the members of that committee. It is the case that sometimes a certain mental attitude or belief dictates a course of conduct, and unless one breaks away from that mental attitude or belief it is difficult to expect another course of conduct. Further, the difficulty is that as these members have to move only in a certain atmosphere, among certain people, sometimes unconsciously or subconsciously, they forget or overlook the needs of other sections of the population. I would, however, like to make some constructive suggestions, and also to make some criticism of certain items. In the first place, I am very glad that they have recognized one thing, and that is to give to education a bias on the technical and vocational side. The Indian members on the Advisory Council on Indian Education have been asking for this for at least the last ten years. We passed resolutions on the subject, but it

was not considered of sufficient importance apparently. I hope now that the Government will take serious note of the necessity to give a technical and vocational bias to education.

Also on page 76 there is a proposal made by the committee in paragraph 156, as follows: "As regards paragraph 23 the committee is in favour of the proposal for a Technical and Commercial Institute, which it considers should provide facilities for all races, to supply the skill and technological outlook so lacking in the majority of the population of the Colony, irrespective of race". I welcome that proposal, but what disappoints me is that I do not see in the Draft Estimates any concrete proposal to go ahead with that very crying need. If we want to go ahead with the development of this country on all sides, I think it is high time we had such a non-racial institution established in Nairobi as quickly as possible in order to help the technical manpower in the country.

The other thing I should like to refer to is the fact that the Indian member, Mr. Amin, made various suggestions in regard to compulsory education for Indian girls and other things, and also made very reasonable requests for meeting the needs of the Indian community, but unfortunately he did not succeed. It should be very clear to all members of this Council that, as far as the direct services are concerned, except education and to some extent—to a very poor and meagre extent—hospital facilities, we get very little benefit, and in this one-line even we have been thoroughly disappointed by the report of the Development Committee.

If we look at Vol. II of the report, page 224, they say: "the ultimate objective of Government in the matter of social welfare should be the achievement of the maximum degree of economic prosperity, social contentment and creative power among all the individuals comprising society in the Colony, with-out regard to race, colour, means, or station in life". Without regard to means or station in life". Yet this very committee, in my submission, has failed in carrying out their own ultimate objective when they have recommended, in regard to education and other matters, that there should be communal responsibility. I fail to see how responsible

[Mr. Patel] members—I believe they were all very responsible people on this committee—on the one hand say that we should provide all these services, etc., without regard to race, means, colour or station in life, and at the same time they have recommended that for education and hospital services there should be communal responsibility. These are not compatible in my submission.

The hon. Member for Ukamba made the remark that after all the Europeans pay the excess profits tax and it is spent for them. I cannot allow that statement to go unchallenged. As I have said, there can be no question of any particular race getting benefits according to their contribution. The fact is that it is the national wealth from which the income is made by individuals, and the revenue is national revenue, and it should be spent for the nation, and if some people come forward with the suggestion that there should be communal responsibility, racial responsibility. I for one do not subscribe to that, and this Government, and any Government that wants to govern fairly should not subscribe to that unfortunate proposal, that has been made several times in this country.

I hope that Government will carry out a survey of the Tana River area as early as possible, as is recommended in the Development Committee Report.

Though I have mentioned briefly this question of communal responsibility, I am still not satisfied about my remarks, and therefore I would refer to page 36 of Vol. I, paragraph 100: "As regards non-native education, the committee agrees generally with the sub-committee's proposals, and, on the question of finance, considers that the following principles should be adopted—(a) that each community, or at least the European and Indian communities, should bear the cost of its own education"; It is very unfortunate that the Development Committee has departed from the general principles which have been followed everywhere else in the world, and I think that Sir Wilfrid Woods, on page 7 of his report, does not approve of this particular principle.

He says: "I should be surprised if it is not found that compulsory education of all non-natives is a practical necessity

in the interests of the Africans as well as in the interests of the non-natives themselves. In any case, if new special education taxes are introduced in Kenya they seem likely once again to prove to be illusory devices for making the communities pay. The identification of either new or old taxes with expenditure on particular services is theoretically possible, but it breaks down in practice because inevitable developments of fiscal policy eventually blur what was at first a clear picture". As I have said in this Council so many times, this experiment was made during the time of Sir Edward Grigg and failed, and I desire to give warning to this Council that that attempt is bound to fail again. Further, it is likely to perpetuate the differences between the various groups and it will prove to be a point of conflict. The sooner we return to the position of treating us as a community the better for all of us.

On the question of coast development also, I am disappointed at the recommendations of the Development Committee, and there is not much suggested in that report. I remember that in 1931 when the hon. Mbarak bin Ali, the Liwali of the Coast gave evidence before the Joint Parliamentary Committee, he said: "We want some European settlers on the coast", and one of the members said: "Do you seriously mean that?" He said: "Yes. What can we do? Unless we have European settlers on the coast we will not be able to develop the coast as the Government will not pay any attention otherwise". (Laughter.) The coast requires careful attention in its development, and I hope that at least one practice will be started, that we will have a Legislative Council session in Mombasa once a year during July or August (applause), so that hon. members from the Highlands will have an opportunity to see around and sympathize with our demand for development of the coast.

While on this question of the Development Committee's report, I should like to refer to the shortage of artisans in this country. I should like to read a resolution which has been passed by the Nairobi Chamber of Commerce, which says: "That this chamber views with grave concern the existing shortage of skilled artisan labour in the Colony,

[Mr. Patel] which shortage will now be increased by the withdrawal of ex-enemy aliens, and requests the Kenya Government to state its intentions concerning the recruitment of immigrant artisans to meet on a reasonable economy basis the needs of commerce and general development".

Now, if I understood him aright, even the hon. Director of Public Works said that there were few Indian artisans and plenty of employment, and that is why he did not get sufficient output. Moreover, it should be well known to anyone conversant with affairs of the country that a certain margin of artisans is necessary for casual work, repairs, etc., and there is no doubt that there is a shortage of artisans in the country at present. I suggest seriously that the Government should consider how many artisans and of what class are immediately required so that development may not be obstructed, and after deciding that instructions should be given that those artisans who were in this country in the time of peace should be given preference to enter this country; they should be granted permits even though they may not come strictly within the regulations. I submit that, according to the resolution of the Chambers of Commerce and the knowledge of those who know, and even the remarks of the hon. Director of Public Works, we do need more artisans, so that it is time a survey was made to find out how many more we must have to go ahead rapidly with our development programme. Having decided that, I submit that those artisans who were refused entry and were at one time in this country should be given preference to enter and granted permits on application.

I want to say one thing, that I read in the *East African Standard* yesterday that a D.A.R.A. office in Johannesburg is to recruit all classes of people, including clerks and mechanics. On the one hand we are told from the floor of this Council that we are in danger of unemployment in this country, and that is why permits to even those Indians who were here formerly are refused. On the other hand, an office has been opened in South Africa to recruit not only engineers, but even clerks and mechanics, and I register a very strong protest. I submit that those Indians who were in this

country and are prepared to come back should have preference to come here as clerks and mechanics if they are suitable. If that is not done, I for one, will advise the Indian community not to believe that the Immigration Restriction Bill is designed to prevent unemployment, as we have been told it is, and that that is all eyewash, and is not the whole truth.

Having said all these things, I want to join with my hon. colleague, Dr. Rios, in pleading for co-operation and joint effort in this country, but the conditions for co-operation and joint effort must be created by serious effort and serious planning; but it cannot be one way. It should be a mutual desire. It cannot be to the advantage of one party only, it should be to the mutual advantage of all parties. I say that if anyone can play a great part in creating the circumstances for such co-operation and joint effort, the responsibility and the duty for this lies on those who claim to be the leaders of this country. I mean the European elected members. I for one say on behalf of my community that we are prepared every time to participate in co-operation and joint effort if we are satisfied that we are going to have a square deal. In the words of the hon. member, Archbishop Becher, if there are equal opportunities for all. In this connexion, before I sit down, I would like to read one paragraph from the speech of Colonel Oliver Stanley when he was Secretary of State for the Colonies. If I read it as coming from our present Secretary of State somebody may say it is rocking in the sky, but I will read the extract from the speech of Col. Stanley, on 19th July, 1946, when he said: "It is essential, when we are dealing with East Africa, to think of it as a whole, and not of its parts, to realize that all communities in East Africa have a part to play, that all have obligations and all have rights. There is a terrible temptation to look at the East African problem from one point of view— from the point of view of the settler, the African or the Indian. But, as I think the hon. gentleman will agree, if there is to be any real prosperity in East Africa, those three points of view must become one. All three have their part to play in a prosperous East Africa, and none will gain by the exclusion of the other".

[Mr. Patel]

I hope this will be borne in mind by those who possess the power to influence policies in this country.

I support the motion.

**DIRECTOR OF EDUCATION (Mr. Patrick):**—Your Excellency, first of all I should like to express my appreciation for the very reasonable and considerate manner in which hon. members on the other side of the Council have dealt with education, and I also wish to pay tribute to my deputy and other members of the staff at head office for the excellent and very heavy work they have put in in connexion with the development plan and the estimates, which had to be prepared within a few weeks of my arrival. I should like now to make a few brief comments on these estimates.

The total estimated expenditure was referred to by the hon. Financial Secretary as "a vote of magnitude", but when it is considered that, after deducting the estimated fee collection from this amount it comes to only 6.6 per cent of the total estimated revenue, I think everyone will agree that this is a very moderate portion of the revenue to be allocated to a form of social service which was adequately described by the hon. Member for Nairobi South a year ago as "the greatest productive asset of this Colony".

A few words on the increase in the education vote over last year. It amounts to just over 7 per cent of this year's vote. More than a third of that amount is due to normal increments and every cent of the balance will be required for additional staff and equipment to cope with our additional enrolments next year. During recent years a considerable part of the vote has lapsed to revenue—last year the amount was £10,000—and this was due to the fact that we found it impossible to get our establishment up to strength and obtain the necessary equipment. 1947 is likely to be very different in this respect, as our establishment for this year is almost complete and equipment is again coming on the market. We have been very fortunate this year in obtaining staff from overseas. We have appointed 24 education officers, 4 assistant masters and 8 assistant mistresses, and this at a time when other

colleges found it difficult to obtain a single recruit. It is not only in the matter of quantity that we have been fortunate, but also in quality, especially since Mr. Foster, my predecessor, has been acting as adviser to the Colonial Office on the selection of candidates for educational posts in East Africa.

I now turn to some of the specific points raised. The hon. Member for Trans Nzoia produced figures to show that whereas the fees at Kitale school in 1945 exceeded the expenditure, and he believed there was a similar position at the two schools in Eldoret, yet, taking all the schools into consideration the expenditure had exceeded the fees by over £7,000. The hon. member was on a very good wicket when he produced the Kitale figures, for that was the only European boarding school where the fees exceeded the expenditure. At the other schools the difference between cost and fees varied from £102 in the case of Nairobi to £2,301 in the case of the Prince of Wales School. Actually the cost of a boarder at the two secondary schools exceeded the cost at the primary school by roughly £10.

Col. Cowie has been conducting an investigation into the cost of education, and when his report is complete it will be passed on to the committee to be appointed on educational expenditure. It may be a little consolation to the people of Kitale, who have the benefit of having their children educated at the Prince of Wales School and the Kenya High School, to know that at least part of what they lose on the roundabouts they gain on the swings.

The hon. Member for Kiambu recommended that the tuition fees should be raised and placed on a sliding scale according to a parent's ability to pay. Col. Cowie is also dealing with the question of tuition fees but, as far as a sliding scale is concerned, the hon. member seemed to suggest that most of the sliding should be upwards, whereas according to our experience of the present system of remission of fees the force of gravity is very strong in quite a number of cases! (Laughter.)

The hon. member Mr. Nathoo raised a number of points connected with the work of Indian schools. He was very dissatisfied with the results, and I can say

[Mr. Patrick]

that my department is also far from happy about those results. If one accepts examination results as a criterion, there has been progress, but the percentage of passes has certainly been low. He attributed these poor results to the fact that it was impossible to attract good teachers under the existing salary scales. Well, as he is aware of the revised salary scales referred to by the hon. member Mr. Patel have been submitted to Government and, as far as I am aware, are now under consideration by the Asian Civil Service Advisory Board.

Several members have stressed the need for hostels for Indian pupils, and my department considers that such hostels should be provided, but according to my records, when Government did conduct a hostel some time ago for Indian pupils it was not supported by the parents, who sent them to a private boarding establishment, and when the number of boarders fell to seven in March, 1942, it had to be closed. Conditions may have changed considerably during the last 4½ years, and I do feel that boarding facilities are necessary, especially for children in outlying districts who are fitted for secondary education. I was very happy to learn from the hon. member Mr. Nathoo that his association are preparing to provide private hostel facilities at one or more centres for girls, and I hope some benefactor or association with a similar idea of public service will, even as a matter of temporary expediency, provide similar facilities for boys.

We are having a visit from Mr. Kazim, the adviser on Indian education, and I trust that with his help and advice we shall be able to make considerable progress in the Indian schools.

The hon. Member for Western Area asked what was referred to this morning as an unfortunate question. No doubt the hon. member has a very good eye for figures, but according to those which we have in the office he was wrong in one respect, if I hear him right, and that was regarding the average cost of Indian pupils. Our figure is £87/10/4, and he asked how we accounted for the great difference in the cost to Government of European pupils. There are three main reasons. First of all, we have different salary scales for teachers; secondly, a

much higher proportion of teachers in Indian schools are uncertificated; thirdly, well over 23 per cent of the European children are at the more expensive secondary stage; the corresponding figure for Indian children is 7 per cent. We have this year a training centre for Indian girls in Nairobi, and next year we are opening a training centre for men, and as the products of these centres come into the Indian schools there should be a big decrease in the differences shown.

The hon. member also asked for details of the accommodation to be provided at certain new schools. At the proposed new Kenya Girls' High School there will be accommodation for 500 boarders and 100 day boarders; at the new Indian girls' school, Nairobi, the number accommodated will be 720 pupils; at the primary schools, Nairobi and Mombasa, 720 pupils; at the new primary school at Nakuru, 420.

The hon. member Archdeacon Beecher referred to some length to Government's plans for Embu. It is true to say that conflicting reports were received as to the suitability of Embu for teacher training centres, but never at any time has Government swerved from its original plan to have a primary school and two training centres there. Some of my staff who have had considerable experience in the Embu district have put forward strong arguments in support of making the men's training centre at Embu a lower primary centre rather than a primary one, and as the arguments show that this lower primary training centre would be much more beneficial to the people of Embu, they are likely to accept this proposal.

The other point the hon. member made was that the people of Embu had offered to provide a temporary building so that the proposed primary school could be opened in January, and stated that this offer had been turned down. That information is quite incorrect. As soon as a building was offered, a recommendation was submitted to Government that it should be accepted, and was authorized to accept the offer and to open the primary school as soon as the building was ready.

Several members, including the hon. member Archdeacon Beecher, mentioned the urgent need for a technical Institute.

[Mr. Patrick]

No details have been worked out regarding a scheme for a technical institute, but certain preliminary investigations have been made, and I can assure hon. members that we also feel that this is a matter of extreme urgency, and as soon as funds are provided for this institute we shall go straight ahead with the scheme. This institute, as the Development Committee Report shows, will be one which will apply to all communities.

Quite a number of members have spoken on the subject of mass literacy. The hon. Member for the Coast gave a very good account of the benefits which would accrue to this country if the mass of the people were literate, and I agree wholeheartedly with him and his views. As far as my department is concerned there are one or two points of interest in this matter.

First of all, we have a great number of children who go to school for a very brief period, but many of them are actually able to read when they leave. When, however, they go back to an illiterate community they suffer from a quick fading out, and within a year or two are back to the position which they would have been in had they never been to school. There is also this question, that any attempt to introduce mass literacy must have a considerable follow-up. From the individual point of view literacy may be an end in itself, but from a community angle it is only a means to an end. I remember a language campaign in another colony where the campaign was an end in itself. It started with the slogan "English, more English, better English". In that country European dress was a badge of English education. A year or two later the Minister of Labour, in his report, stated that the only results from this campaign had been "Trousers, more trousers, better trousers". (Laughter.) Here in this country we have gone a long way towards the trouser stage, and I think the sooner we do something on the language side the better. (Hear, hear.)

The hon. Member for Ukamba has asked me to give an account of the literacy drives in other countries. This would be a very long story, but I did have the privilege of working for a short time with Dr. Laubach, who has gained a

world-wide reputation for his work in reducing illiteracy in other countries, and between us we prepared a scheme for Trinidad. That island has probably about 25 per cent. of the population illiterate, and most of them are concentrated in certain parts of the island, and again, we had only one language to deal with. There we followed the system "each one teach one" or preferably "each teach one or more", and before I left we were getting in some very satisfactory reports of the scheme. For instance, we received a report from the Commissioner of Prisons to say that a large body of people in the prison at Trinidad had learnt to read within a period of four months. This system was carried out entirely by voluntary helpers—churches, schools, literary societies and various other organizations supported the movement, and it went ahead like a grass fire. In this country, however, I feel that the position would be complicated by the different races and the fact that the mass of the population is illiterate. However, it can safely be said that, unless we do come to the stage where we can organize voluntary helpers for this movement, it would be a very slow process. To take an example, we have in Kenya at the present time almost 5,000 African teachers, and if there were a few trained personnel in each district, and if they could pass on the special technique, and if each of those teachers took a few under his wing and if those in turn helped a few more, I see no reason why the proportion of illiterates in this country should not go down very quickly.

My hon. friend the Labour Commissioner and several others have stressed the need for more vocational and more agricultural education. At the present time in our schools all the weight is at the bottom. In the first year at the end of 1945 there were over 111,000 pupils; in the second year 46,000; in the third 24,000, and when you reach the stage where vocational education could be given effectively the number had fallen to roughly 3,000. That means that for every boy you have in school at the time when this type of education could be given with effect there are outside probably between 30 and 40. We have two very good senior secondary schools at present preparing pupils for Makerere. Last year we had fourteen admitted to

[Mr. Patrick]

this year we hope to have at least 30, and according to the development plan the number of these secondary schools will increase, and we hope that as the years go by we shall be able to provide Makerere with a steadily increasing number of students. Makerere College is being expanded considerably, and it is up to us to see that Kenya gets its fair share of the tuition which will be given there. In addition to these senior secondary academic schools, we have a number of very good feeder schools at centres like Machakos, Kagumo and Kakamega, where, in addition to literary subjects, a considerable amount of education is given on practical subjects such as agriculture, carpentry, building, and so on. Which reminds me that we are showing in our office this afternoon a film entitled "The School Farm". It is a local film, and if any hon. members are at 3 o'clock I shall be very glad if he will come along. Those feeder schools will increase in number under the development plan, so that both on the secondary side and on the post-primary side there will be considerable expansion, and once you have accommodation for post-primary and secondary work no power on earth will prevent people reaching that stage.

But, as I have already shown, even if we turned all our schools into vocational schools, it could only affect a very small percentage of the people of this country and we would still have passing on to manhood every year probably more than 50,000 boys, without adequate preparation for this work-a-day world. This is our problem, and my solution for it would be that, whenever 30 or 40 of these boys who have either never been to school or have been for a very short time and who have reached the age of 14, 15 or 16, can be collected within a reasonable distance of their homes, they should be given a course of training, even for one year, in projects designed to achieve better health, better care of the land, better homes; that is, tasks related to agriculture, buildings, carpentry, and so on. I have faith that if this could be done it would be of great assistance to boys of that age, and a great many complaints regarding the poor work of the African would gradually disappear.

Twenty-eight years ago I organized and was in charge of the K.A.R. Artisan School at Mbagathi, and I was so impressed with the considerable degree of skill and the amount of work carried out by these boys within a year that ever since, in the various colonies where I have served, I have taken a special interest in the practical education of boys who had no prospects of advancement through the ordinary school system.

It has been mentioned that there is an increase in crime, and we are concerned as far as juvenile delinquency goes. At the Approved School, Dagoretti, at the present time there are 147 boys, and of these 99 have never been to school. Of the remainder, not one has been to school for more than three years. Much weight should not, perhaps, be attached to such figures, but there is no doubt that the more we can get the African youth into organized communities, whether they be missions, schools, youth clubs, societies, in fact any community where a sound foundation for good citizenship can be laid, then there is a better chance of the African becoming the type of man and woman we would like to see them. In the words of Pope:—

"This education forms the common mind,

Just as the twig is bent, the tree's inclined".

I beg to support the motion.

ACTING COMMISSIONER OF CUSTOMS (Mr. Lord): Your Excellency, as the officer responsible for the collection of all this customs revenue, I have listened with much interest to the various criticisms of the existing taxes from hon. members opposite, but as this criticism has been part of a general criticism of the Government's taxation policy as a whole, I shall leave this matter to be dealt with by my hon. friend the Financial Secretary. I would, however, like to make a short reference to the customs surcharges.

It has been suggested—and I believe the view is widely held—that these surcharges, particularly in their relation to the cost of articles appearing on the cost of living schedule, bear very heavily on the cost of living. This is absolutely untrue, and I want to dispel this misunderstanding which exists. On the cost

[Mr. Lord] in living schedule there are three important items—clothing, groceries and household necessities. Clothing, we all realize, is one of the most expensive items. I will give one or two examples to prove my point that these surcharges have very little effect on the ultimate cost. A man's ordinary lounge suit apparently can be obtained in Nairobi for something in the neighbourhood of £15. It may surprise Council when I say that the surcharge on the material used to make that suit amounts to the very large sum of Sh. 21. As regards the garments of the opposite sex—

—His EXCELLENCY: Would the hon. member speak up? We have difficulty in hearing.

MR. LORD: A similar argument is applicable to the outer garments worn by the opposite sex and by children. I will give one or two examples to support my argument. A school boy has to be provided with a pair of grey flannel shorts, and I understand that the local price is roughly Sh. 30. The surcharge on the material used to make that pair of shorts amounts to 45 cents. I will give one more example. An African buys a pair of khaki drill shorts which cost him in the neighbourhood of Sh. 10. The surcharge on the material used to make those shorts amounts to 8 cents.

My point in giving these figures is to dispel the common view that the Government, by retaining these surcharges, is responsible in a material degree for the present high cost of living. In the case of clothing, of course, I think it is generally realized that the very high costs at present are as a result of the extremely high conversion factor—that is the cost of converting the raw material to the finished article. The reason for that, in my view, is the excessively high wages which are at present being paid to clothing trade operatives. I believe it is a fact that tailors generally receive in wages four or five times those they received in 1939; and I submit that if something could be done to reduce these excessively high wages it would result in a substantial reduction in the cost of clothing.

Passing to other important articles on the cost of living schedule, namely, groceries and household requisites, both

these groups of commodities carry a surcharge of 2 per cent.—that is 1/50th of the landed cost. That means in effect that in relation to the ultimate retail price the surcharge is in the neighbourhood of 1 per cent. I hope that by these illustrations I have helped to dispel the quite erroneous idea which exists regarding the incidence of the customs surcharges.

I now wish to pass to one or two relatively minor matters concerning customs. The hon. Member for the Coast, during his address stated that he had the impression that the Railway Administration received a rebate of 10 per cent on the customs tax on petrol. I must place on record the fact that the Railway Administration pays no duty whatsoever on the petrol it uses.

The hon. Member representing African Interests (Archdeacon Beecher), supported by the hon. member Mr. Mathu, suggested that Government should give increased tariff facilities on school stationery. The hon. member naturally must be well aware that at the moment most of the school stationery which is imported is imported free of duty. Tariff item 163, which I will read out, admits free of duty "all school stationery, instruments, appliances and similar requisites imported by or on behalf of a recognized educational institution solely for the purposes of tuition". In practice, this means that all consignments arriving for recognized educational establishments pay no duty; also consignments imported on behalf of schools, provided the relevant documents are endorsed by the Education Department. What we do not do is admit these articles for the general retail trade without payment of duty, because I think it will be admitted that things like exercise books, pens, pencils and paper have a very wide general use. I do not think we can meet the hon. member on this point, and I suggest that he submit representations at some later date when the customs tariff comes up for general revision.

The hon. member also asked whether it is possible to institute a system of drawback of customs duty on paper used for the local manufacture of exercise books.

ARCHDEACON BEECHER: On a point of order, it was not the drawback on paper

[Mr. Beecher]

imported for the local preparation of exercise books, but the local preparation of printed books for the spread of literacy.

MR. LORD: I am sorry, but my reply is, I am afraid, the same, and I consider this is quite impracticable. I do not see how it can possibly operate under the customs laws as they now exist.

One small point while I am referring to the address of the hon. member, he also, during his speech, referred to my estimate of £800,000 as being contributed by the African population by means of indirect revenue. He mentioned that this would be derived from customs duty; it is, of course, both customs and excise. It is a most important difference, because the revenue which is received from the African population by excise duties is a very considerable proportion of that figure.

Before I leave customs matters—I see my hon. friend the Member for Mombasa looking at me!—he did address a specific question to me regarding the compilation of the Government's customs and excise revenue estimates. I am afraid I will be quite honest and say I am going to pass the buck on that one. The hon. member must quite well know that the estimates now before Council are the responsibility of Government and therefore I must, I am afraid, leave this question in the very competent hands of my hon. friend the Financial Secretary. (Laughter.)

The hon. Member for Eastern Area, Dr. Rana, has referred to a point about the discomforts experienced by passengers in the customs sheds at Kilindini. While these sheds are commonly referred to as customs sheds, they are, of course, owned and operated by the Railway Administration. (Laughter.) I am interested in this point by virtue of the fact that I happen to be ex officio Chairman of the Harbour Advisory Board, and I see no reason why this matter should not be examined, though I fear there may be considerable difficulties in providing what I gather the hon. member would like—that is a separate pier and a separate baggage hall. I would point out in this connexion that recently conditions have been quite abnormal in that large ships, mostly transports have arrived with very

large numbers of passengers, and that has resulted in some inconvenience. With the return to normal shipping schedules I imagine, in fact I think, conditions will improve.

I have only one more point to make before I sit down, perhaps an unusual one. I want to add my support to the appeal which has been made by the hon. Indian members regarding the Asian Civil Service. In my department I have quite a large number of Asian clerks, and I can testify that there is considerable unhappiness and discontent amongst the staff. Inevitably, human nature being what it is, efficiency suffers, and therefore, in the interests of the conduct of public business, if nothing else, I submit that the sooner the question is settled the better.

I beg to support the motion. (Applause.)

MR. LINDSAY: Your Excellency, I think that among the members on this side of Council I might perhaps be described as something of a Pooh Bah, because there is an infinite variety of subjects with which I have to deal. Some of my colleagues who work in close touch with me are also members of this Council, and have already replied to various points which have been raised during the course of the debate. I propose to deal with some subjects affecting the smaller departments which have been raised and for which there is no representation in the Council, and also one or two other matters which nobody very much likes the look of and of which I appear to be the residuary legate. (Laughter.)

The first one is very brief and a pleasant one. The hon. Member for Nairobi South, in the course of his speech, asked whether it would be possible for the present Parliamentary Under-Secretary for State for the Colonies to visit East Africa as Mr. Creech Jones has recently done, to obtain first-hand information of such problems. This Government agrees that such a visit would be very much appreciated, and will ask the Secretary of State if it would be possible to make arrangements for this to be done at some convenient time. (Hear, hear.)

The hon. Member for the Coast has advocated the abolition of the post of Chief Native Commissioner unless the



[Mr. Lindsay] officer occupying that post can be given executive powers. The question as to whether or not executive powers should be attached to this post is largely a matter of opinion, and I would refer the hon. member to the remarks made by the Acting Chief Secretary last year in introducing into this Council proposals for the reorganization of the Administration of Kenya as set out in Sessional Paper No. 3 of 1948. At that time Mr. Swinburne went to some pains to explain the functions which it was proposed that the Chief Native Commissioner should carry out. These were, broadly speaking, that he should be Your Excellency's chief adviser on all matters concerning the administrative and social problems of African people. In order to carry out those functions properly, the Chief Native Commissioner must be enabled to carry out regular and extensive tours in the Colony and Protectorate, and if he were to exercise executive powers at headquarters the time at his disposal would obviously be very much less than he now has to undertake those extensive and necessary tours. Again, the Chief Native Commissioner's functions are very considerable, and his duties and responsibilities must to a very large extent overlap with the sphere of authority of other members of Executive Council in charge of Government departments. It is for these reasons that I feel it would be a mistake to attach executive powers to the post, and that the advice which the Chief Native Commissioner can and does give and which is always available to Government, would be restricted if it were done.

The hon. Member for Kiambu quite obviously disagrees with the appointment of a Director of Establishments. I gather that the hon. member's complaint was that we were to have yet another office in charge of establishment affairs, and I think his objection was that the present establishment section of the Secretariat was already overworked.

MR. WATSON: As a point of explanation, we want decentralization and over-centralization.

MR. FREDMAN: I think that what I have to say will answer the hon. member's remarks, and I would not like to

realize the enormous expansion that has taken place in the Civil Service establishment since the war broke out and the number of very important committees that either have been or are about to be set up to inquire into terms of service. All these complicated staff matters have, I submit, increased Government's responsibilities towards staff matters generally, and I maintain that it is quite necessary that an officer should be appointed who is not going to be busily engaged with routine affairs, but who can apply his time to these important matters. Again, since 1940, advisory committees have been appointed to advise Government on matters affecting the Civil Service, and their work has to be co-ordinated, and the handling of this work requires a large degree of expert knowledge. These conditions which I have described probably were in the back of the minds of the Kenya European Civil Service Committee when they published their report in December, 1943, and recommended an increase in the establishment staff, and also of Mr. Hill, the special Commissioner, whose report was received last year and who came to precisely the same conclusion. In regard to the suggestion that the present establishment section of the Secretariat might be over-stuffed, all that I would say on this is that I would be delighted if the hon. member would come to the Secretariat one day and see for herself the amount of work being done and which has to be done by those officers. Each of them is required to do a very considerable amount of overtime to be able to keep pace with the work, and I welcome this opportunity of paying my tribute to the unselfish way in which the task is being tackled, irrespective of many hours of overtime required to complete it.

I should like to refer to a comment to matters relating to the Transport Licensing Board which were raised by various members in paragraph 1, I think, by the hon. member Mr. Thakore. The hon. member criticized the Board and said that in his opinion since its inception it had not functioned and its records were at a chaotic state. I think that is somewhat exaggerated, but I know that the chairman of the board himself would be the first to admit that there was a period last year when applications for transport licences increased by 20 per

[Mr. Lindsay] from 120 per cent, suddenly, owing to surplus military vehicles being put on the market for sale, and it is only natural that at that time the small staff employed by the board was completely unable to cope with the work they had to do. Since then, the board has been reorganized and I am in touch with the chairman in the matter of a small increase in staff which will be considered by the Standing Finance Committee at the appropriate stage.

MR. THAKORE: On a point of explanation, I am referring to the years previous to 1945.

MR. LINDSAY: I hope that what I have said will reassure hon. members that the position is not so bad as I understand the hon. member to make it out to be.

References have been made during the course of the debate to the question of pirating on roads by unauthorized transporters, and also to the purchase of motor vehicles. The hon. Attorney General will. I know be dealing with the question of pirating, and the hon. Financial Secretary will deal with the question of the purchase of motor vehicles. I will, therefore, restrict myself to the question of the work of the Transport Licensing Board itself, and remind hon. members that the reason why the board was established was to implement the Transport Licensing Ordinance, 1937, which in itself was designed to avoid uneconomic competition with the railway and other established transporters. In most countries of the world such a system of transport-control does in fact exist.

The hon. member Mr. Thakore also said he understood that at the last meeting of the board one company was granted no less than 30 licences, while many other individual applications were turned down. If I have understood him correctly that was, in fact, what he said. I think the hon. member was probably referring to an application by a company who wished to import 30 luxury bus coaches to run a long distance service linking the main townships in the Colony. The board at their last meeting gave preliminary consideration to this application, but came to no conclusion, and I would say that my information is

to the effect that a transport service of this nature, a luxury service at first-class fares, is a project in which there is little or no other competition at the present moment.

To refer now to co-operative societies. The hon. Member for Rift Valley told us that his information was to the effect that the co-operative society movement was unpopular with the African. There is a good deal of truth in what he says. In recent years African trading activities have very largely increased and are increasing, and so long as the present conditions prevail on the seller's market it is not surprising that the aims of the co-operative movement are not fully appreciated, but—and this is the point I want to stress—co-operation must be regarded as a long term investment. If when affairs become more normal and the smaller African producer is still to be able to market his produce and to make a decent living out of it, there is likely to be ample scope for the methods of co-operation. We must plan for conditions which we see lying ahead, and this planning, so far as co-operative societies are concerned must, I think, be in two directions: Firstly, we must set up an organization for establishing co-operative societies, and we must spread the information through the native areas as to what are the principal objects and purposes of co-operation. It is to carry out these schemes, and to start them now, and be able to get over any African conservatism which may exist, that Government thinks that the money which is being expended will be well spent and will produce good dividends in the future.

I should like to say a few words about the Information Office.

HIS EXCELLENCY: Is the hon. member going to be some considerable time?

MR. LINDSAY: I think another ten minutes, sir.

HIS EXCELLENCY: I think we had better adjourn at this stage.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Tuesday, 3rd December, 1946.



Tuesday, 3rd December, 1946

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 3rd December, 1946. His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 29th November, 1946, were confirmed.

#### PAPERS LAID

The following paper was laid on the table:—

By MAJOR CAVENDISH-BENTINCK:

Statement showing the operations of the East African Cereals Pool, 1944-45 and 1945-46 and wheat production and consumption figures.

#### KENYA AND D.A.R.A. DRAFT ESTIMATES, 1947

The debate was resumed.

MR. LINDSAY (continuing): Your Excellency, several references have been made during the course of this debate to the Information Office, and the part which it should play in the social and educational work which lies before it. There are two questions which come to mind when we consider this department—they are: what should the Office do, and how should it do it?

We cannot regard the Information Office as being a pamphlet producing factory, completely divorced from the urgent problems which we have to tackle, but rather should we regard it as being an integral part of a team with a very important part to play in itself. I should like to quote from a recent Colonial Office paper on the subject of mass education the following passage: "Means must be found, and found quickly, whereby the people as a community may understand and appreciate the forces which have changed, and are changing their lives so radically." The Information Office must be equipped to produce the means of awakening and maintaining interest, so that the instruction given in the classrooms and in the shambas may fall on fertile ground. The Office must produce for administrative, welfare and

educational officers the material which they require to tackle this big job which, for want of a better expression, we call mass education; and the type of material which those officers will require would be posters, photographs, film strips, the production of films for projection in native areas; and possibly even a newspaper in the vernaculars. By these means we would hope to ensure that the people are kept fully informed of Government plans, and that their interest in educational progress will be sustained, thus preventing a slide back to an illiterate peasantry. I hope that when the Standing Finance Committee come to consider these Draft Estimates in detail they will give due consideration to the allocation of sufficient funds for what I regard as being an essential work.

The hon. Member for Rift Valley asked in the course of his speech how many prisoners had escaped from prisons in the Colony during 1946. The answer is 147, of whom 29 have so far been recaptured. The figures are admittedly large, but they represent but 2.6 per cent of the total daily average of prison population, and when we analyse the incidence of escapes we find the following position: six escapes from prison buildings, fourteen from prison enclosures, 79 from extra-mural employment such as bush clearing, swamp clearing and so on; sixteen from road camps, which, as the hon. member will appreciate, cannot be constructed to conform with security standards; and 32 from the native civil hospitals.

The only way in which we could ensure that no "prisoners" escaped in future would be either to keep all prisoners locked up and so be unable to make use of their work, or to afford the Commissioner of Prisons a very largely increased staff of warders, the cost of which, when considered in relation to the percentage of escapes would not, in my opinion, be justified.

The hon. Member for Mombasa asked for information regarding the proposed archaeological survey. The position is that last year the Colonial Office put forward proposals for an archaeological survey to be undertaken on an inter-territorial basis. These proposals were examined by the various Governments and were finally turned down on financial grounds by Tanganyika, and Zanzibar. It was then

[Mr. Lindsay]

suggested that Kenya might go ahead with a modified scheme, and this was subsequently put up to the Standing Finance Committee in August of this year. The committee decided to defer consideration of the scheme for six months, when they hoped to be in a better position to judge whether funds would be available for the purpose.

The hon. Member for Eastern Area (Mr. Patel) referred to lack of playing field accommodation for the pupils of the Aladina Visram High School at Mombasa, and I took the opportunity during the week-end of studying the papers to find out what the present position is. I must admit that I do not think that the present position is altogether satisfactory, and I would assure the hon. member that I will take a very early opportunity of discussing the matter with colleagues the Commissioner of Lands and Director of Education to try and find some solution of the problem. The land which was used by that school for the purpose of a playing ground had to be taken over for an urgent building scheme, and I know the hon. member himself is aware of the difficulties in the Island at the moment of being able to get any land for any purpose whatever. But I will do what I can to reach a solution of this particular matter.

I should like to refer to two points which were raised by the hon. Member for African Interests (Mr. Mathu) during the course of his speech. Firstly, I should like to tell the hon. member that if he has any doubt in his mind on the subject, that the Public Works Department are always ready and anxious to employ African artisans as and when they become available. The hon. Director of Public Works tells me that when the last departmental census was taken in March, 1945, the number of artisans then employed by his department was 147, and that to-day there are 96 employed in the Nairobi division alone, and 29 apprentices are undergoing training at Kisumu. The other point on which I should like to assure the hon. member is that the African Overseas Bursaries Rules are now in final draft, and we hope to get the approval of the Government very shortly for them to be put into operation.

Sir, I support the motion.

MR. MARCHANT: With your permission, Sir, and that of the Council, I will use this microphone, because I realize that I am not always easy to hear.

During the course of the debate a number of hon. members opposite have drawn attention to what has been termed lack of confidence in the Administration or lack of contact with the African people. This is no new criticism, and I think before I deal with particular points which have been raised it would be as well to retrace our steps very quickly over the history of this country in order to try and bring things into perspective.

When we first came here some 50 years ago, we found a primitive people at war with one another, famine, pestilence and slavery. During the 50 years we have been here we have achieved peace among the tribes slavery has been abolished, and educational services have been established, albeit on an inadequate scale, and, moreover, the country has been developed, with the result that to-day we are considering a budget with an expenditure of some six and a half million pounds, and in addition a development plan which proposes to expend some fifteen and a half millions over the next ten years. This, I feel, is no mean achievement, but we must not forget that we are dealing with human beings, and we cannot expect to bring about such radical changes in outlook in so short a time as appears to be expected. Even so, we have in a short space of time imposed upon the indigenous peoples of this country modern systems of economics and Government which are entirely foreign to them. Old customs and ideas have had to a great extent to give way. The process has been accelerated by the fact that we have passed through two world wars, during which the African peoples have given liberality of their man power and their produce, and moreover they saw a good deal of their world. The result is that the African to-day it beginning to think for himself, and I cannot help thinking that the so-called lack of contact and lack of confidence is due to this fact.

One unavoidable feature which has resulted has been the introduction of a cash economy among Africans, as opposed to the old subsistence economy

[Mr. Marchant] which prevailed when we first came here. Among ourselves, radical changes of this magnitude were brought about over generations, but we have compressed the whole thing into a short space of 50 years, and the unfortunate effect of this has been to create an extreme individualistic outlook; in fact, I regret to say that it might even be called a grasping outlook in certain cases. It is regrettable that these changes have resulted in the loss of ties of allegiance to tribal and family authority. Nevertheless, so rapid has been the change that the mass of Africans to-day have not yet outgrown their inherent fear of witchcraft, which in my opinion tends to retard the development of a healthy public opinion. This fear is not altogether surprising, for even among ourselves few would willingly walk under a Jagger or look at a new moon through a glass!

All this indicates the extremely complex problems with which we have to deal and it somewhat naturally increases the difficulties of the Administration. Yet during the recent war years, when it was so essential that we should have a full staff and the closest possible administration, it was necessary to withdraw from the administrative field a very large proportion of our district officers. To illustrate this I may say that, at one period, out of 115 administrative officers whose names appeared in the staff list, only 68 were actually in the field, and they had to deal with additional work, such as conscription, live stock control, vehicle control, petrol control and a hundred and one other things that fell to the lot of the Administration during those years. In all the circumstances, therefore, I feel it is a matter for congratulation rather than criticism that the district staff has kept the machine working so well. In fact, I should like to say here and now that I regard the administrative staff in Kenya as being one of the best I have found anywhere in the colonial empire where I have been, and if, with the advent of D.A.R.A. they can be given the tools, I have no doubt the job will be done. (Applause.)

For reasons I have given it has been inevitable that there should be some loss of contact in the field during the war years, and the only remedy for this is to increase our administrative staff. It

was, therefore, with considerable surprise that I listened to, my hon. friend the Member for the Coast when he expressed his disagreement with the proposals to increase the administrative staff. He referred to the time when he and I were district commissioners and we used to go round the districts on our flat feet, and I think we knew most of the people and most of the people knew us. Those days, unfortunately, have passed. It happened some 20 years ago, and to-day conditions are not, in my view, comparable with what they were before. The fact is that to-day, as I have said before, there is an individualistic outlook, and as individuals the Africans to-day expect individual attention and they cannot be dealt with on a tribal or clan basis as we used to in the past. In fact, the hon. member rather reminds me of an old gentleman sitting in a London club who bemoans the modern tendencies and compares them adversely with, say, Poona in '84! (Laughter.) This attitude displays a remarkable lack of appreciation of present day conditions and the aspirations of the African. While my hon. friend the Provincial Commissioner, Nyanza, was speaking he did, however, interject that what he really meant was that he wanted officers to undertake more safaris. While I have every sympathy with this—and I am glad he took the opportunity of making this point, because it was not at all clear to me when he spoke—we cannot insist on more safaris unless we have a full staff.

My hon. friend Archdeacon Beecher expressed the hope that the system of appointing African assistant administrative officers will be extended and in particular he referred to the coast. I can say with confidence that it is the intention of Government to extend this system as and when suitable persons become available for these posts, but I feel that the hon. gentleman himself would agree with me when I say that we must consolidate as we go along. There is no point in making appointments merely for the sake of making them—and, that being so, and when suitable candidates are available, they will be appointed and the training scheme will continue. I was glad to hear my hon. friend Mr. Mathu express his agreement with these proposals. He did, however, ask that they should not be used as glorified clerks. I can assure him

[Mr. Marchant] that on that point. They will not be used as clerks, and as to present conditions of service, I would refer him to a reply to a question by Mr. Odede when he was a member of this Council, in which I stated that consideration would be given to putting these officers on Scale E of the African Civil Service after their probationary period of two years had lapsed and in the light of experience gained during that period. I would, however, like to correct the statement made by the hon. member when he described these officers as assistant district officers; their official title is African assistant administrative officers.

The hon. member Archdeacon Beecher referred to the Masai district and asked why it should not be declared to be a province and the Provincial Commissioner given the full powers of a Provincial Commissioner, with a team of workers. The Masai, who number some 49,000, are spread over a very large expanse of Africa, and it is quite impracticable for one officer to administer them. It has been found necessary, therefore, to have two district stations with an officer in charge. The officer in charge has the full powers of a provincial commissioner, and he has such technical officers as members of his team as are available in these days of staff shortage. As soon as the staff position improves I have every hope that more staff will be appointed to the area.

A further point made by the hon. member was that Africans are taught to read and write, but are not quite clear what he meant. If he merely means that he thinks Africans should be taught a few social tricks, such as using a knife, fork and spoon at table, important as these are, I feel there are even more important matters, such as character training and a sense of good citizenship, which, in my view, can be learned better with a full knowledge of reading and writing.

This brings me to another point made by the hon. member. He urged that the Information Office be attached and run by the Education Department rather than by the Social Welfare Organization to which is attached the Information Office. Serious consideration was given to this matter, and the conclusion we came to

was that it was more appropriate for mass education to be dealt with by the welfare organization, and in this connexion I would refer the hon. member to the Mass Education Report. The whole theme running through this report is that mass education can only be achieved with the co-operation of the people and with the will of the community as a whole. That places mass education on the plane of welfare, and I feel that the Welfare Organization is the appropriate authority to organize this campaign. This point is clearly brought out in the Mass Education Report itself; the opening sentence of paragraph 56 of which reads as follows: "Education Departments are not and cannot be so constituted that they may efficiently direct and control all mass education; but in any organization designed for that purpose an Education Department should play a central role".

This report was considered by the Directors of Education of the East African territories and they came to the conclusion that, as I have said before, mass education must be organized by the welfare departments, although the education departments themselves must maintain the closest collaboration. There is no doubt in my mind that the success or otherwise of the mass education campaign will depend very largely on the collaboration of the Director of Education and the Social Welfare Organizer, and I am happy to say that my hon. friend the Director of Education and the Social Welfare Adviser have already worked out a suitable basis for their campaign.

This leads me to the subject of community centres proposed in the report of the Development Committee. At each of these centres it is proposed to post an African social welfare worker, and it is hoped that in due course it will be possible to post European welfare officers to the bigger districts. In fact, a course is at the present moment in process at the Jeanes School for district officers and a number of selected re-absorption officers. The duties of these welfare officers will be to supervise the welfare workers, whose activities will include the stimulation of mass education and mass literacy, the use of bulletins, pamphlets, books, film strips, and so on, all of which will be provided by the

[Mr. Marchant] Information Office. Other activities will include the formation of young farmers' clubs and other youth movements, such as boy scouts and guides. They will also co-operate and form a team with the members of the technical departments working in their districts, in the interests of health, education, better farming and the achievement of higher standards of living. Rural industries and arts and crafts will also come within their purview.

In fact, nowhere has it been suggested, that I can see, that these centres should be based on the sale of beer and dancing. It may be that some confusion has arisen in this respect, in that it is known that in some towns considerable sums of money have in fact been made out of beer halls, and this position, I think, has created some misconception on the proposals of the Development Report, but I can assure the hon. member that there is no intention whatever of basing our community centre work on the sale of beer and dancing.

I cannot resist at this point drawing attention to an inconsistency in the speech of the hon. member Archdeacon Beecher, for whereas in one breath he categorized the report as being an in-human document, in the next he deplored the institution of community centres which would consist largely of beer shops and dance halls. If beer drinking and dancing are not human activities I do not know quite what they are! (Laughter.)

As has been said before, the centres will consist of simple buildings where instruction can be given in mass literacy, where books and papers can be made available, where lectures can be given and cinema shows in fact. I hope they will become centres of community life with a strong bias towards education and self help.

I was glad to hear the hon. member Archdeacon Beecher advocate sending more Africans to England to study local government conditions there. I am a great believer in broadening the mind in this way and I sincerely hope that when the time comes to ask the Standing Finance Committee for appropriate funds I shall receive a sympathetic hearing.

The hon. Member for Kiambu and a number of other hon. members opposite have urged that a graduated poll tax should be applied to Africans. They argue that it is unfair and unreasonable that the lowly paid African agricultural worker should pay the same as an African on Sh. 300 a month. On the face of it that appears a logical and irrefutable argument, but as was pointed out by the hon. Financial Secretary, the numbers would be few and, moreover, it must be remembered that in our present state of development the cost of living for the more highly paid African is proportionately very much more than that of the more lowly paid, who are generally housed and fed, so that in fact the more they are paid the more heavily they contribute to the central revenue than the others. In addition, with African society in its present state of development, I think it would be found, if inquiries were made, that the wealthier Africans do in fact contribute to the cost not only of tax but to school fees and so on of their poorer brethren. That is a system which I think it would be unfortunate if it broke down.

There is another factor which I feel has a bearing on this matter. If we are to give effect to the system of financing local social services through local native councils, there is no doubt that councils will have to rate themselves more highly. There would be a very large proportion of remissions owing to the generally low wage of the majority of the people, with the result that the rates would be so much higher, with the added result that the wealthier people would have to contribute more and more to the maintenance and extension of the services than they do at the present time. On balance, therefore, I am in agreement with the hon. Financial Secretary, and I consider that the introduction of a graduated poll tax should not be applied at the present time.

A number of hon. members have advocated that a cattle tax be imposed on the pastoral tribes. This is no new suggestion. In fact, it was made, I think, some 20 odd years ago, and it has been under review from time to time ever since, but we have never yet succeeded in finding a practical solution. I realize that it has been done in other territories, but only on a very rough and ready

[Mr. Marchant] available, and I feel it would not be acceptable on that basis here. Another point is that in African society practically every member of a clan has an interest in the stock of the clan, and it is therefore not possible to levy a tax on any one member of the clan with any degree of equity. A further objection is that by levying a stock tax we are, in fact, exacting a capital levy, for stock is the capital of a tribe. What I would much prefer to see would be a system whereby tribesmen put up stock in payment for improvements and developments of water resources and other improvements to their land. This would in fact be on an exact parallel to our system, whereby farmers put capital into their farms for development purposes. Consideration to this aspect of the matter, is being given at the present time and, in fact, I understand that certain tribesmen of the Rift Valley Province and the Masai have already accepted this principle. It seems to me that by these means the development plans which we all recognize as being limited by the amount of money available could be extended quite considerably.

Another point made by the hon. Member for Kiambu was that the African should be given what she termed the freedom of the Press. She elaborated by saying that what she really meant was the Government should run a printing press under the aegis of the Information Office and the African editors should be at liberty to have their papers printed there without resorting to printing presses belonging to other races.

MRS. WATKINS: What I want is that Africans should be able to run a printing press attached to no particular community, but belonging to Government as a whole.

MR. MARCHANT: I think her for her explanation. Personally, I have some sympathy with the suggestion, but feel that it would be regarded as a direct interference with legitimate trading, and as such might not be generally acceptable. What I would prefer to see is the Africans running their own presses.

The hon. member asked why famine relief was being given when work is

available for good pay, and other members referred to it as well. There seems to me to be considerable misunderstanding on the subject, for, as stated in reply to a recent question, generally speaking no famine relief is given people but the food, and therefore it is a matter of organized distribution rather than famine relief, and I hope the heading "Famine Relief" will be altered when the budget goes to the committee stage. It is true that in the Machakos district it has been found necessary to reduce the cost of food to the inhabitants, for the reason that the wealth of the people has been depleted by a series of bad seasons so that they cannot afford to pay the full cost of food at present prices. Moreover, the present quantities of food sent to that district average out at  $\frac{1}{2}$  lb. daily per person to those who receive it.

MRS. WATKINS: Surely then they should be allowed to go out to work for it.

MR. MARCHANT: I should like to finish my argument, if I may. Therefore, it is clear that the head of a family has to supplement his food supplies to a very large extent to keep his family alive, and if the full price was charged his monetary resources would be rapidly exhausted and Government would be faced with having to provide the full famine relief for the whole of his family, which, in the case of the Machakos district alone, would work out at something over 5,500 tons a month. The hon. member will probably retort that by going out to work these people could by their labour earn sufficient to buy food at present prices, but to provide sufficient food for a family of five would require some 225 lb. of meal per month, which at present prices works out at Sh. 24/20. Therefore, it would be necessary to pay a wage of at least Sh. 30 per month, having regard to the high cost of other articles of living.

As the hon. Labour Commissioner has stated, his records give the number of Kambas who are out at work at the present time as 34 per cent of the total population. This, I have every reason to believe, is too low a figure, for I have recently had information that the Kamba are going out in considerable

[Mr. Marchant] numbers, or have been, during the recent two months or so, and their numbers, therefore, would not have been reflected in the figures quoted by the Labour Commissioner. In certain other countries, I may say, no more than 12½ per cent of the adult male population are permitted to be away from their homes at any one time, for the reason that otherwise serious effects on the social structure of the tribes are likely to result. Moreover, I must remind the hon. member that the Government policy that all must work postulates work both inside and outside native areas. In the particular case of the Machakos district there is a vast amount of work which has to be done in re-conditioning native lands, and if we are to increase the numbers of adult male natives to any great extent who are out of the reserve we may find ourselves faced with insufficient man power in the district to deal with the rehabilitation of the land.

The hon. Member for the Rift Valley stressed the need for putting the best men possible in the Machakos district. It is unnecessary for me to assure him that Government is very much alive to the magnitude of the problem in this district and naturally the most careful consideration has been given to the officers posted there. I would add that postings are not undertaken lightly at any time. The hon. member may be aware that Mr. Wyn Harris who was, prior to going on leave, the Acting Labour Commissioner, has recently been appointed Provincial Commissioner, and additional and selected staff has been appointed to the district.

The hon. member gave it as his opinion that the situation in Machakos had deteriorated in the past year. My information is that the situation has improved very considerably from every point of view during recent months, but in this connexion I must add—and it will be appreciated by hon. members opposite—that rain makes an enormous difference to outlook. The hon. member then referred to the demoralizing effect of the dote. I have already pointed out that there is no such thing in this country, so there is no need to labour the point further. During the course of his remarks, however, he referred . . .

Mr. TRENCH: The hon. Financial Secretary called it a dote from Government side.

Mr. MARCHANT: It is merely a change of terms!

During the course of his remarks he referred to his native land and compared it with England, where a dote was given after the last war. If I may be forgiven, I should like to refer to the phrases which I am told that happy land passed through. They were the pagan era, the Christian era, and the De Valera! (Laughter.)

Finally, in his summing up, the hon. member again stressed the necessity for posting the best possible men to Machakos. He went on to make some remarks about the Chief Native Commissioner which were not at all clear to me. I think he suggested that the Chief Native Commissioner should be locked in a room at the Secretariat and fed on such delicacies as files dealing with Kibera and Somali rights on the Commissionage . . .

Mr. TRENCH: And the rest of the country!

Mr. MARCHANT: I am afraid I did not catch your remark.

Mr. TRENCH: The point being that the Chief Native Commissioner, in my humble opinion, has to do too much to do it all right.

Mr. MARCHANT: Thank you, sir. (Laughter.) I am glad that I did not take his remarks very seriously, but they rather reminded me of the play "The Duke in Darkness", recently put on in this town. What is more serious, however, is his almost complete ignorance of the machinery of Government, and I can only conclude that he has forgotten the various papers which have been laid on the table in the Council, and in particular Sessional Paper No. 8.

Mr. TRENCH: That is not correct, because I have already said there was too much paper action.

Mr. MARCHANT: If I may continue. I will deal with Sessional Paper No. 8, laid by the hon. Member for Agriculture, which made it quite clear that the primary responsibility for rehabilitation of native areas was his and not mine.

[Mr. Mercan] Doubtless the hon. member will deal with him.

Mr. TRENCH: On a point of information, I was referring to the Administration.

Mr. MARCHANT: The hon. Member for Ukamba referred to the possibility of the Ithanga Hills being made available to the Kamba under strict conditions. The hon. Member for Agriculture will deal with that matter, but at the same time he stated that his information was that there had already been serious infiltration of Kamba into that area, and, in his view, this should cease and the unlawful occupants evicted before any consideration can be given to making the area available to the tribe. Government is aware of these allegations, and a special investigation is now being made. Preliminary reports, however, do not indicate that the allegations of serious infiltration are true.

The hon. Member for Aberdare joined with others in drawing attention to the deterioration in native areas. He put his finger on the spot when he referred to the very large increase in population which had taken place during the last 30 years or so. This is, in fact, the root of the trouble, and whereas in the old days it was customary for people to move their cultivation and stock periodically as a means of preserving the fertility of the soil, to-day that is not possible owing to the large number of people who have to extract a living or supplement their living from the land now available to them.

In particular, he referred to the portion of the Yatta which he said at one time was recommended for alienation but, as a result of the Carter Commission of Inquiry, was allotted to the Kamba, and which he now described as being a desert. This is far from correct, for only a few days ago the Provincial Commissioner, who has recently been through the area, informed me that he was most agreeably surprised at the excellent cover of grass at the present time.

The hon. member went on to compare conditions in Uganda with Kenya, and he referred to certain tribal obligations among the natives in Uganda to under-

take road work which, he said, if done here would be regarded as slavery. He obviously is quite unaware of the fact that most local native councils have passed resolutions and do so annually, requiring the people of their areas to undertake minor community work, which includes the maintenance of local native council roads.

The hon. member Mr. Mathu referred to what he was pleased to call a number of minorities, and pleaded for increased services for these people. He especially mentioned one or two particular tribes. I know it is fashionable to talk about minorities in these days, but I should like to take the opportunity to make it quite clear that the small tribes in this territory receive equal treatment with their neighbours in all social services.

The hon. member made a reference to Mukogodo. He, as a member of the Local Native Councils Standing Committee on expenditure, will remember that a dispensary was built in that area last year, and as soon as water boring machinery is available it is proposed to deepen and open up bore holes put down during the war. This should do much to improve conditions in the area. He then referred to the labour settlement at Gwassi in South Kavirondo and asked for an assurance that Government is satisfied as to the necessity for keeping these people away from their district. Consideration has been given to this matter, and the local leaders who were consulted were emphatic that in their view it is in the best interests of the Kipsigis tribe that the labour should not be allowed to return uncontrolled to their previous holdings in their district. It was, however, decided in 1944 to set up a labour school at Kericho to afford the younger members of the tribe educational facilities, with a veterinary and technical bias, and also religious instruction. The scheme has now been working for a couple of years, and although it is too early to say that it will be completely successful it does warrant the expansion during 1947 which is now proposed. It is hoped that with education these people may ultimately develop into useful citizens.

The hon. member also referred to the extension of the Karatina trading centre.

Mr. MATHU: On a point of explanation regarding the laibon and Kipsigis, the point at issue was whether Government had taken into consideration the serious difficulty of the laibon young men and women in the question of marriage.

Mr. MARCHANT: That is exactly the point we took into consideration, and the very reason why the school was set up at Kericho. In fact, if I may so describe it, the district commissioner is about to run a marriage market for them.

The hon. member also referred to the extension of the Karatina trading centre, and stated that some of the clan holders had asked that the centre should not be extended permanently, on the ground that an undertaking was given that the extension would be used for war purposes only. This matter has been referred to the Nyeri Local Native Council on a number of occasions since 1944, and they have always agreed that the extended boundaries should be demarcated and established. This was reiterated as recently as the 11th of November this year.

I think that disposes of most of the points raised by hon. members, and I beg to support the motion.

HIS EXCELLENCY: Before we resume the debate I should like to draw the attention of hon. members to Standing Rule and Order No. 44, which deals with the question of interruptions arising on a point or order. It has been rather freely interpreted and members are getting into the habit of rising on a point of order and then saying something totally out of order. (Laughter.) I would ask them to restrain themselves, or I shall have to restrain them!

Mr. BOUWER: Your Excellency, this is the sixth budget debate I have taken part in and so far, as far as I can gather of the days when I was not here, and certainly on the days when I was present myself, the debate has been an extremely temperate one and has generally speaking been on a high level. I trust that when I sit down it will still be generally agreed that it has been temperate and on a high level. (Laughter.)

I approach this budget for my part with great goodwill towards both the

Asian, the African and the Arab races. I offer and extend to them the hand of friendship, the hand of co-operation, because I realize, as we all must realize, and the sooner we do it the better, that we are here in this country together, for good or for ill, and that the only way we can progress is if we co-operate with one another and stop fighting one another. (Applause.)

I was particularly impressed with the moderate tone of the hon. member Mr. Mathu's speech, at any rate the portion that I heard, and from what I see in the paper the portion which I did not hear was just as good, and I am quite certain that a speech such as that can do nothing but good in this country. I agree with him that Government should approach the African and explain to him the whys and wherefores, but I am also certain that he will agree with me that time is not with us any longer to tackle the very serious agrarian problems and that in the interests of the African himself certain measures may have to be taken. Indeed, I am not certain that it is not already too late for some measures that should have been taken many years ago, and if they are not hurried on the fate of this country may be quite tragic. I believe he will agree with me under those circumstances that we cannot wait too long for the whys and wherefores to be made plain, although I do not contend that every effort should not be made to make them plain.

I want to support the hon. member in his contention that Transport Licensing Board licences should be related to the sale of lorries. It seems to me quite immoral that lorries are sold in large numbers to Africans, who undoubtedly want them for running transport services, and then when they have already bought the lorries they are told: "Sorry, you cannot get a T.L.B. licence". While on this subject of lorries, I must say I find considerable merit in the suggestion that has been made that the registration licence fee on heavy lorries should be put up, and when this matter comes up for discussion before the Standing Finance Committee I should like to put forward a plea that consideration be given to the matter of charging a higher licence fee on those lorries that travel at high speeds, because I believe most people will agree with me that it

[Mr. Bouwer]

is not so much the weight that ruins the roads, but it is weight plus speed—speed mostly. The hon. Member for Kiambu suggested some time ago that governors should be put on the lorries. (Laughter.) (HIS EXCELLENCY: They are always tampered with!) (Laughter.) I cannot believe that, sir, (Laughter.)

So far, I have agreed with quite a lot of what the hon. member Mr. Mathu said, but I would differ from him—and I am speaking subject to being corrected if I misunderstand him—when he said that farmers got their petrol free of tax. That is not so. The position is that some petrol driven tractors were brought into the country and used for production purposes, and an import rebate was given on the petrol used solely for production purposes. That is no new policy. That is a policy that was agreed to by this Council many years ago. It was agreed to in the case of kerosene. Of course, in passing I may say it is not a racing question at all. Anyone who uses kerosene or petrol for production purposes in a tractor can receive that rebate.

I am sorry I cannot agree with his views on taxation. There must be many Africans who can quite easily contribute a great deal more to the revenue than they do under the present fiscal system. That is one of our quarrels with the policy of Government to-day. (Hear, hear.) I said when I started that I offered the hand of friendship, but nothing is more calculated to destroy friendship than when one friend imposes upon another and insists that the other friend should always pay. In this connexion the hon. Chief Native Commissioner's plea, from what I could gather, was that the African could not stand more taxation, but in that respect Government seems to change its mind from day to day, and what the Financial Secretary says to-day the Chief Native Commissioner does not say to-morrow. (Laughter.) I am going to quote just one paragraph from what the hon. Financial Secretary said last year when introducing the 1946 Estimates. It is to be found on page 118, November 13th, 1945, of Hansard. Quote: "I think we all agree that the present system of poll tax is unsatisfactory"—I gather from the hon. Chief Native Commissioner now that it is not—because it imposes an equal burden

on the rich and on the poor. There are, in fact, a great many well-to-do Africans who pay very little because of the unfortunate incidence of this tax, very little in relation to their taxable capacity. We have designs on these gentlemen, and I hope it will be possible before very long to introduce a form of income tax suitable for application to Africans...

I mention the matter to show that the Government is not unmindful of the defects of the present system". That is exactly our point, and I am sorry I cannot agree with the hon. Chief Native Commissioner when he suggests nothing can be done in the matter.

I said that I wanted to be temperate, and I have every intention of being so, but I hope you, sir, and your Government will forgive me when I say we are a bit tired of hearing that things are going to be done. The hon. Chief Native Commissioner said, for instance, in the case of a cattle tax, that this had been under consideration for 20 years—the hon. member may have used the words "this was considered 20 years ago"—and from what he said I presumed it might possibly be under consideration for another 20 years. There is just one point I should like to make in regard to this question of a cattle tax. I do not know whether I should be right in saying that the hon. Chief Native Commissioner assumed that it would be almost an immoral tax, because he said it would, in fact, amount to a capital levy. I wonder if hon. Commissioner of Income Tax will agree that a tax on the profits derived from cattle is a capital levy, because if that is so I shall have a great deal more to say on this subject at a later stage. (Laughter.) As far as my recollection goes, and I speak with some feeling on the matter, I have certainly had to pay for the increase on my cattle.

Of course, I agree with the hon. member Mr. Mathu that every African is not lazy. He was quite right in drawing our attention to that. For example, some skilled and semi-skilled Africans do a very fine job of work in this country, and there are very many others who also do so. I also agree—and he was quite right in drawing our attention to it—that every African is not irresponsible. This was evident from the letter that appeared in the Press yesterday written by Mr. Coldham, of Kiambu, but the point I

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wish to make and the point that it is intended to make is that, nevertheless, their output is not as much as we would wish and that this country requires if it is to progress fast and far.

I should like to say a word about the admirable speech of my hon. friend the Member for Aberdare. He painted a very sombre picture to us, but he has great experience of this country and I hope the Standing Finance Committee, when it starts its labours, will give very great consideration to the views that he has put forward.

I want to support the views put forward by my hon. friend the Member for Nairobi South, leader of ten of the European elected members. I want to support those views very strongly. He made some very cogent points, and I think he explained and argued why they were strong points. He spoke as all the leader of ten of us—unfortunately not all the members sitting on this side of Council, which I hope to see at some time. I was very pleased to see in the paper that he received quite a measure of support from my hon. friend the Member for the Coast and also from the hon. member Mr. Thakore. He may have received support from other members, but unfortunately I was not here to hear them.

There is one matter I want to deal with, which I do not think has been dealt with as adequately as I would wish, and that is the matter of Controls, and I am very sorry I am speaking after my hon. friend the Deputy Chief Secretary, because he is Chairman of the committee which you have appointed, sir, to go into the matter of Controls and reserved occupations. I agree with other members that Controls must go at the earliest possible moment, and I feel very strongly that the imports and distribution Controls are neither working efficiently nor fairly, to say the least of it. If, for reasons of high policy, it is necessary to keep these Controls on it should be done in such a way as to cause the least annoyance to the public as possible and with the utmost efficiency, but if one listens to the complaints of the public one comes to the conclusion that they are not efficient and that they give a great deal of annoyance in every way. On the

distribution side, there is a particular point I have quarrelled with for a long time, and that is that the distribution of imported goods should be on the basis—I might almost call it the fetish—of past performance. This, I maintain, should be done away with at the earliest possible moment, as it is acting very much against the interests of the development of new business in the Colony and keeping business in the hands of established importers to an unfair degree. (Applause.) I maintain that the Jute Control, for instance, is quite unnecessary and this, to my mind, was proved conclusively this last season by the fact that, had it not been for the initiative of a large co-operative concern in obtaining gunny bags through America, quite a lot of cereals may have been lost to this country today from the failure of the Jute Control to get those gunny bags in time. All that is wanted, I maintain, is that Government should give its blessing and help to importers of jute products.

Again, the Building Control does not appear to be working properly. Some months ago I had occasion to get a permit for a small quantity of window glass from a firm in Nairobi. I sent the permit down to Nairobi and I am still waiting for that window glass, in spite of the fact that I have sent many reminders to this firm asking where my glass was. I have had neither glass nor replies. This, coupled with the fact that I am told (I have not tried it) that one can get as much glass as one wants in the black market in Nairobi, and may be in other parts of the country, suggests to me that there is something very wrong somewhere. When I was trying to get this glass I went to the Building Control office, and was met by a very courteous lady secretary, who stated that she had just taken over and found things in a bit of a muddle. I want to submit as strongly as I possibly can that these Controls are costing an awful lot of money and they are very vexatious, and we cannot afford to have them in the bit of a muddle that quite, a lot of them seem to be.

There is another point I wish to make, and that is how does a commodity such as glass—which one would imagine could quite easily be controlled from the time it leaves the ship to the time it gets into the hands of the consumer—how is it that

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a commodity such as that gets into the black market? Has the Control ever tried to trace a consignment of glass, for instance, from the time it leaves Mombasa to the time it gets into the hands of the ultimate consumer? I suggest if that was done occasionally, and I believe it could be done very easily, we might have some very interesting results, and things would probably not be in quite the muddle they appear to be. That is the general opinion: how far it is true I do not know, and I say with all diffidence—but as a public representative in this country I believe it is right that I should say it—that there is a general opinion in the country that there is quite a fair connexion between the Control office and the black market. This is a very serious allegation to make, but I believe it is being said outside, and it is only right that it should be said here in public, and what is more, that Government should take every step to combat that menace. (Applause.)

There is one Control that I believe is absolutely and entirely necessary, and it should be the last of all to go. I speak of Price Control. I believe that Price Control has succeeded in this country in keeping the cost of living down to a very appreciable extent. I know there are many people who would like to get rid of it, but I, as a member of the committee, will fight against that. I believe, however, it should be relaxed to some extent, because I believe it gives merchants quite a considerable amount of trouble. It should be relaxed to the extent that control should no longer be kept on purely luxury articles or articles that can be proved to be non-essential.

I now want to say a few words about the remarks of the hon. member Archdeacon Beecher. Before I start, without appearing to be offensively patronizing in any way, I would like to say that I have always looked upon him as a friend. I have looked upon him as a man of great integrity, as a man, as a very clear sighted man, and certainly as a man with both his feet firmly on the ground. But I am afraid that his toes have just been lifted a little way off the ground this time. A man makes mistakes occasionally, and although I thought he was one who never did in my humble opinion he seems to have made one now.

The hon. member used the rather strange argument in trying to prove his contention that the African paid his fair share of taxation, by inferring that by his labour the African made considerable payments to the central revenue possible.

I said it was a strange argument. I believe it is also a very misleading argument because I think he will agree with me that it can be used with equal force on the other side, by saying that the European and Asian employer make payment of taxes by the African possible. The short fact is that, unless the African does contribute a larger portion of revenue and more physical effort to the common pool, any progress of his community, on a reasonable scale, is out of the question, and I believe his leaders will be doing him a tremendous disservice by making him believe that he has only to shout hard enough for social services and somebody else will pay for them. We know that life is not like that, we know that man has only raised himself from a primitive level by hard work, by persistent effort, and by initiative. We know that he acquires a high standard of life in no other way, and the higher the standard of life the harder he has to work. I put it to every member of this Council here this morning, which one of you works six hours a day or any nonsense like that? I believe that I am not over stating the case when I say that not a single member on this or the other side of Council has not got to work very hard and long hours, and I know there are many of my friends—if I am allowed to call them that, on the opposite side who have a working day of fourteen to sixteen hours! (Hear, hear.)

Now, sir, the fact of the matter, of course, is this, that although the communities are entirely complementary to one another—and I repeat, they are entirely complementary to one another—in this country, and cannot get on without the other in producing the wealth of the country, that does not detract from the fact that taxation as between communities is being unfairly spread at the moment. I am certain that the average large contributor does not mind paying his fair share in relation to what has to be done in the country, because that taxpayer knows that we have a tremendous amount of legwork to make up, but what he or she does mind very much is that



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every person in the country is not contributing to the revenue in relation to the services he receives and the life he enjoys by reason of being a member of the state. To achieve that end is, after all, the art of good government, and if Government is to be judged by that law I have no hesitation in saying, without being offensive in any way, that I believe Government has fallen short.

The hon. member Archdeacon Beecher, according to the *East African Standard* (unfortunately I was not here when he spoke), also advocated that the £200,000 relief which the hon. Financial Secretary said Government was good enough to grant us, should be given to the lower income groups, and that the same amount should be reimposed upon the higher levels. I know it is fashionable to talk like that—(ARCHDEACON BEECHER: Not at all!) I know that it would even be possible to do that in a country with a homogeneous population, but I fear that in a country such as this, where part of the population refuses to contribute its share of physical effort to the common pool, the law of diminishing returns is likely to apply, because the people who are paying the lion's share of taxation may become so disheartened that they will relax their efforts to produce the maximum. If that happens, it will be tragic for this country.

Further, I notice that the hon. member also advocates an undeveloped land tax, and so did his colleague, the hon. member Mr. Maitu. There may be a lot in this argument, but I would ask him how the land is to be developed if the owners of the land are taxed so highly that there is little profit left to plough back into their land? We are in danger of getting to the stage when the law of diminishing returns will apply. Further, for a decade prior to the war the agricultural produce of this country was in such poor demand and prices so low that any undeveloped land tax would have been nothing short of sheer lunacy. During the war and today, the shortage of machinery and man power still prevents practically every farmer from carrying out the development which he so ardently wishes to make on his farm. I would remind the hon. member that in 1944 the European unofficial members of this Council, realizing that it was absolutely essential

that every bit of the Highlands should be developed at the earliest possible opportunity and that no speculation should take place in land, were mainly instrumental in passing the Land Control Ordinance. That was at the end of 1944. Since then that ordinance has been administered by a Land Control Board, which has done its very little land left in the Colony to-day which is undeveloped. I know there is very little land which may be said to be fully developed, but, as you know, it takes long years and a lot of capital to fully develop land anywhere. This is just another fashion which has reared itself against a portion of the citizens of this country who have done so much to develop the country.

I want to make it quite clear that when I said the African has to work, I do not mean to say that he has necessarily to work for other communities, but what I want to make clear is that work he must, and work hard, if his standard of life is to be raised.

I want to spend a few moments on famine relief. The hon. Chief Native Commissioner, if I understood him correctly, suggested that this is in fact a misnomer. He did not say what it was, but the fact is that, no matter what he says, it is a subsidy by the taxpayers, whichever way we look at it, and I still want to record that I still believe enough could be earned by the head of a family to keep his family, and that it is not necessary to give that famine relief subsidy, call it what you like. (Hear, hear.) I believe with the hon. Member for Rift Valley that a subsidy such as that is likely to have a far-reaching and demoralizing effect on the people who receive it, and the gave you chapter and verse and pointed out what had happened in another country. I believe that famine relief should not be given to anyone able to work, and that the only people for whom any justification exists is for those too old to work, too ill to work, or too young to work.

I shall probably be told that this is the policy. But when I visited the Wakamba reserve some months ago I was not satisfied that it was working out that way. The fact of the matter is that under

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the system it is quite inevitable that producers of food, suffering from a severe shortage of labour themselves, struggling to produce that food to feed people who will not work but count on being subsidized by those who produce the food, will come to the conclusion that the game is not worth the candle. I want to warn Council that many people think along these lines to-day, and there are many who are asking themselves the question to-day: "Why should I go on struggling to produce food for people who will not work?"

I would like to say a few words about the Medical Department. I do want to congratulate the hon. Director of Medical Services on his very excellent and interesting speech, if he will allow me to do so. I was particularly interested in his explanation of the uses of penicillin and D.D.T. I hope that when the hon. Member for Health replies he will have consulted his colleagues and tell the Council a little bit about the use of a new preparation called palludrine. I believe that may also have far reaching effects on malarial treatment. I agree with him wholeheartedly when he said the medical services were not social services but essential services. These preparations that he spoke about open up immense vistas of an ever increasing population. Last year I spoke on this matter of the increasing population in the budget debate, and the then Director of Medical Services took it that I was advocating a reduction in the medical services. Of course, I did nothing of the kind. In other countries a rising population is a tremendous asset if they will work, and the point I wanted to make last year and the point I want to make again, is that somehow or other we have got to make every person in this country realize that a rising population can only be an asset if it works, and can only be a liability if it does not work.

I said at the beginning that the debate, I thought, had been on a very high level. Unfortunately, I cannot include the hon. Member for Western Area in that remark, at any rate as far as some of the things he said. It appeared to me, if I understood him correctly, that he was doing this year again what he has done previously in his speeches; that was to attack the farmers of this country. He

gave us a long row of figures with which I think he sought to prove that as the European community of this country derived most of the services supplied by Government, they could not grumble if they had to pay the most taxes. It is such a far fetched contention, not to use a more offensive word, that I do not intend to say anything further than that, but I hope he also in future will try and co-operate a little bit and accept the hand of friendship which I wish to extend.

There is just another point he made which I should like to take up a little more pointedly. If I understood him correctly, he maintained that as the cereal grower was subsidized in his times by taxpayers, and he quoted a figure of £113,000 given to maize and wheat control, and so forth, in good times the cereal grower should subsidize the consumer in return. If that was his point, the point I should like to make is that that is exactly what the cereal grower has been doing all the time. I should like to repeat that: that is exactly what the cereal grower has been doing all the time. In the first instance the cereal grower—I am talking particularly about wheat and maize—was selling his produce to the consumer below the cost of production, and I would ask you, if a person is selling something below the cost of production, that is not subsidizing the person who consumes the article, I do not know what it is. Since prices have risen, he has been subsidizing in exactly the same way, because had his stuff been sold on the open market he would have got a very much bigger price for his crops than he did.

The hon. member Archdeacon Beecher, on the other hand, seemed to argue that the Masai were badly treated by the Live Stock Control because they received bigger prices in their reserves at auctions than from the Control. That is not unique to-day. I submit that any article in short supply to-day, if put on the open market, would get five, six or ten times what it receives to-day. I should just like to quote a few figures to prove my contention that even to-day the cereal grower, maize and wheat growers, are to some extent subsidizing the consumer.

I made it my business to check up on the prices of wheat and maize on



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the Chicago market last week, and converting them to East African shillings—this was done by an accountant and hon. members will probably find the figures correct. Last week the Chicago price of wheat was Sh. 28/6/- a bag of 200 lb., Sh. 1/17 more than wheat growers received for their first grade wheat here; maize was Sh. 22/43 per bag, nearly Sh. 5 more than maize growers receive in this colony to-day.

I want to support most strongly the Development Committee report. My colleagues have spoken on it at length, and I have no new points to make. There is only one further thing I would like to say, and that is on the question of expenditure. Practically all this D.A.R.A. expenditure is capital expenditure, and it seems to me sometimes that there is a tendency to be a little more lenient with the expenditure of D.A.R.A. items than on the current budget. I know the hon. Chief Secretary is an extremely cautious person (laughter), if that is not an understatement, sir, and I trust that his eagle eye will be on every penny of expenditure of D.A.R.A. and that in the dust of the arena—when the Standing Finance Committee meets there is generally a lot of dust flying about—that D.A.R.A. does not slip past as quickly as might be wished.

I have not very much more to say. I just want to refer to what the hon. Director of Public Works said. It appeared to me that he was very much on the defensive. I hope he was not. I hope I am completely wrong and he will forgive me if I say it appeared to me somewhat as a policy of despair when he said: "Well, you know what stone cutters are like, they don't cut the stone as they ought to, and we have just got to accept it". I suggest that if that is the attitude of mind in which the Public Works Department approaches its business, that is probably the reason why the hon. Director should be on the defensive.

Finally, I can only support this motion provided that the dictum announced by the hon. mover when he moved the reference of the Draft Estimates to the Standing Finance Committee—that whatever is decided on for 1947 must be taken as the yardstick for future years—is withdrawn. I cannot support the motion

unless he does withdraw that particular announcement, because if I agree to that it would make my position as a member of the Standing Finance Committee, which, after all, will be called upon to do the real work as far as these estimates are concerned, quite impossible, and believing that I should be wasting my time by taking part in its deliberations.

Thank you, sir.

**MAJOR CAVENDISH-BENTINCK:** Your Excellency, I am afraid I shall also have to take up a good deal of the time of Council, as although the debate is but three-quarters of the way through, despite there having been 30 speakers, many points affecting my department have been raised.

First, I should like to deal with a number of points raised by the hon. member Mr. Thacker. He dealt first of all with Controls generally, and then alluded to several specific ones. On the question of Controls generally I should like to mention this. A great many members comment on Controls in this Council by way of routine; they are very easy things to attack and it is very easy to demand their abolition. No doubt mistakes have been made in the administration of Controls, but I would say that this, on the whole, I think the Controls in this country have been extremely well run and, but for their existence, we should be very much more like other countries not so very far away than, happily, we are to-day in matters of prices and supplies, and so on. (Hear, hear.) I may say this struck our Rhodesian visitors who were with us recently, as it has struck most people who have visited us for any length of time.

Some of these Controls have already been dealt with by previous speakers, but I would refer specifically to the question of the Stock Feed Control which was attacked, and in relation to which it was said that it would be far better if this was left to private enterprise. Unfortunately, I have had to deal with a good many Controls, and I should like to dispel one misapprehension, which is that the people who run the Controls want them to continue. The last thing they want to do is that; they are sick to death of them. In regard to the Stock Feed Control, we get the greater part of our supplies, as you know, from Uganda, and

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it has been found from experience that practically the only way to get regular supplies is by one central authority in Uganda obtaining them on our behalf, and one central authority here dealing with the Uganda central authority and distributing them. In the case of Uganda it is the Oil Seeds Control, and in the case of Kenya it is the Stock Feed Control. I need hardly say that it is essential that supplies should be obtained and distributed to farmers when and where they are required and, owing to seasonal factors and difficulties experienced by the Railway, we have to arrange to carry substantial reserve stocks. On the whole, I think we have managed to keep the country supplied up till now fairly effectively. We have had some very grave difficulties, and I am afraid that this coming year is probably going to be the most difficult year we have yet experienced. The amount of stock feed consumed is rising, and there are complications in Uganda which will probably considerably reduce the amount available next year. A further point is that if the distribution of stock feed was left to commercial channels entirely, it is quite possible that Kenya merchants would find they would not get any supplies at all. If they did they would have to pay export parity, as all feeding cake can be sold in South Africa at a far higher price than is being paid here for it to-day. Actually, we owe a great debt to the authorities in Uganda for their constant co-operation and assistance in this very important control as far as the farming community is concerned. (Applause.) I particularly mention the Stock Feed Control because in so far as its incidence is concerned it is not entirely dissimilar from a number of others.

The hon. member also criticized the Fertilizer Control, and the subsidy which has been given to fertilizers during the last few years. This subsidization was introduced three or four years ago, when the maximum production of cereals became one of the major aims of this country. Supplies of fertilizers had to be procured, and we had the greatest difficulty on some occasions in making any fertilizer available. You may remember that we actually went to the extent of organizing the collection of bones and manufacturing bonemeal locally. Old

contoured dumps were discovered in Uganda, and we had to make the maximum use of this material, and that was no easy thing to organize. The cost of all imported fertilizers increased enormously, as you can imagine, and we wanted to adjust the cost to the consumer to actual P<sub>2</sub>O<sub>5</sub> or other fertilizing content of the different types of fertilizers that were distributed, and some of the imported ones were extremely expensive. It was in order to make a proper adjustment that we gave a subsidy for the very expensive fertilizers that were imported. The price of cereals, I may say, was fixed with the knowledge that this subsidy exists and it is taken into account. Another point which has been raised during this debate is the suggestion that an over-riding basic price should be fixed, cutting out all subsidies. In theory, that is very easy; in practice, it is impossible. It has been found impossible in England and in every country I know of. We have on certain occasions to give subsidies rather piecemeal to get the results we endeavour to obtain.

The next point the hon. member made which concerns me was in regard to the acquisition of land for new settlers, and he stated that it had come to his notice that land was being acquired, undeveloped, up to Sh. 40 or more per acre, and that people make a great profit out of such land, and that we should requisition land and just take it over. In order that there can be no mistake about what is being said about this so-called acquisition of land, in order that members may be satisfied that every possible care is taken not to waste public money and at the same time to acquire the best land possible so as to give the best chance possible to new settlers, I shall run over again very shortly the procedure that is adopted in regard to the acquisition of land. The procedure, of course, is set out in Sessional Paper No. 8 of 1945.

The land which it is proposed to purchase is first examined by a settlement officer, who is an exceptionally well trained agricultural officer with a very wide experience of the Colony, whose reports are counter-checked and who has got a reputation for making exceptionally accurate reports of the nature we require. His report is then considered by the Land Sub-committee of the European

[Major Cavendish-Bentick] Settlement Board. This sub-committee is composed of practical farmers who examine the report and also obtain advice from the settlement sub-committees of the district councils concerned. If they then consider that the farm is worth purchasing they make a recommendation to that effect to the Land Control Board. If the Land Board approves of the land and the value, authority to purchase is sought from Government after reference has been made to the Standing Finance Committee. So the land is not only carefully examined by the European Settlement Board, but the whole proposed transaction is again very carefully examined by the Land Control Board.

MR. THAKORE: On a point of explanation, I was using that as one of my arguments in favour of an undeveloped land tax.

HIS EXCELLENCY: I have already had to warn hon. members that they may not interrupt on a point of order. No point of order has arisen.

MAJOR CAVENDISH-BENTICK: The hon. member need not be afraid—I am coming to the question of an undeveloped land tax, but I do not think I misunderstood him when he referred to the acquisition of undeveloped land.

As regards an undeveloped land tax, this has been dealt with by the last speaker, so I will not refer to it at any great length, beyond stating that it is a subject which has been up for review on quite a number of occasions in this Council. Indeed, I do not think people remember that in 1920 a bill for the "imposition of a tax on undeveloped land and unearned increment on land transfers" was actually passed by this Council and was submitted to the Secretary of State. I mention that because it seems to be the common idea that the European community do not want an undeveloped land tax and that there is some sort of unfairness about it in that it is a measure which we should adopt. On that occasion the dispatch which came back was extremely illuminating and might have been written to-day, despite the how very changed circumstances of this country, but the proposal was, for good reasons, turned down by the Secretary of State. During the war

we had, as you know, a committee which went into all kinds of suggestions dealing with the question of undeveloped land, the use of land, or the failure to use land, which investigations resulted eventually in the Land Control Bill, which was mentioned also by the last speaker. That committee again most carefully examined the possibility of some sort of undeveloped land tax, and they again came to the conclusion, as I think most of us have—and I may say I have quite socialistic leanings insofar as land is concerned—that a tax of that sort in a country like this is utterly unsuited, would not produce the results that are anticipated and might, indeed, do a great deal of harm.

The hon. member also mentioned the possibility of an export tax on produce, and asked why consuming countries should not be made to pay extra, more especially as food is short. Well, his ideas of the methods of buying and selling as between countries seem to be a little bit vague, but the question of imposing a tax on exports has also been freely ventilated in this Council. It has always—and I think rightly—been part of the fundamental policy of this Government not to impose export taxes on the primary products of this country. We some of us think that the imposition of an export tax, in the case more especially of a young country, is dangerous, and, moreover, it would be difficult to vary the tax according to the price the producer received. It is wrong to imagine that it is the importers in the other countries who would make the tax contribution, because they would not. Even to-day you have to produce with a view to getting the best price you can in comparison with other producing countries, so the man who pays the tax is the producer and not the consumer overseas. I do not think I need waste more time on that, except again to say that this question has been frequently examined and, so far, the Government of this country has always ruled against a policy of export taxes on produce.

The next speaker was the hon. Member for the Coast, who dealt with a number of subjects which do not concern me, but he did oppose increases in administrative officers, and he said that nowadays, in view of the extra resident magistrates, extra police, extra welfare

[Major Cavendish-Bentick] officers, etc. who were available in native areas, he rather doubted the advisability of any increase in administrative officers. I cannot let that go unchallenged, because such experience as I have had, which has been quite considerable lately, has shown me that this country is terribly under-administered, and it is quite notable, from my point of view at any rate—that is in matters which come under my purview—that where you have more administrative officers things go very much better—remarkably better and remarkably easier.

MR. COOKE: On a point of personal explanation . . .

HIS EXCELLENCY: The hon. member is out of order.

MR. COOKE: On a point of order, I submit I am not out of order. (Laughter.)

HIS EXCELLENCY: You must accept it from me that you are.

MAJOR CAVENDISH-BENTICK: The next point I should like to deal with is the point he mentioned about Kibarani. He said that there is a fruit export here now, a horticulturist, and that it is a very good place and we ought to do more to develop it. I am not so satisfied that it is an entirely suitable place and, before we go very much further with that particular station, I want to be satisfied that we can find a more adequate supply of water than has been found yet. At the moment the only water available is apt to be saline; and I am not entirely satisfied that it is the best place we can find.

He also said that insofar as the neighbourhood was concerned, the clearing of bush had been held up by me as regards the scheme for anti-tsetse measures which would enable cattle to be kept there. The proposal that this particular tsetse fly infested bush should be cleared at Kilifi has been held up, that is quite true. It has been held up until the Tsetse Fly Bill is introduced into this Council, which I hope will be fairly soon. The land concerned is largely held, in fact almost entirely, by private individuals, one of whom owns an enormous acreage there, as the hon. member is aware, and it is not considered entirely desirable for improvements to be effected on this land

by the clearing of bush until we have got legislation which will render owners of land so cleared liable to pay at any rate something towards the cost and, what is still more important, to make them responsible for maintaining the clearing. (MR. COOKE: Will the legislation be expedited?) It will, and I will only add that I am sure most hon. members will agree with me that in the circumstances such legislation is necessary before large sums are spent on that particular area.

The hon. member asked for information about Taveta and Ziway, which I will deal with later fully, in connexion with other speakers.

The hon. Member for Mombasa talked about salaries, and said that second class salaries only attract second-class men, and he expressed the opinion—and other members have too—in connexion with some of our salaries that they were not high enough. I rather welcome the fact that that was mentioned, because it represents my feelings too. I do not believe we shall get technical officers on the salaries we are offering at the present time, because they have raised salaries in England and a man actually gets practically no more by coming out here than he does by accepting a post under what are to him more congenial conditions in his own country. It enables me also to say something about the general expenditure of this country. I am not talking about the incidence of taxation. I have talked about that on the other side of Council, but when on the other side I also said one thing which I should like to repeat from this side. To my mind, unless we are going all out to develop this country now it is going to go back, and this is the time when we must be prepared to spend money. I also think, if we are going to cavil about everybody's salary and everybody's expenditure and everything Government is trying to do now, far from doing our duty to the future we are doing the worst possible service to the future. (Hear, hear.)

The next speaker with whose remarks I should like to deal, who is not here at the moment (he is ill unfortunately) is the Member for Nyanza. He asked about live stock marketing, and asked whether some new scheme was coming in by

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January 1st. The answer is that the present Live Stock Control, backed by the present system of compulsory quotas and so on, will terminate at the end of this year and a new system will start as from the 1st January. Exactly what that new system will be I do not think this is the time or place to disclose and, indeed, in some details it is not entirely fully planned out, but there will be variation in the system of buying cattle as between different reserves, and I would repeat that the quota system will come to an end on December 31st—that is the quota system as it has been operating in the past, and indeed any compulsory quota system for the time being. But I should like to warn members that, in my opinion, it is quite likely that we shall get extremely little meat in this country next year. We have certain meat reserves, but I think that while we are trying to get a new system working there will be a serious meat shortage in this country. I may add that we have engaged a number of officers, and I have every hope that the new meat marketing organization may prove a success, but I think it is going to take a considerable time to get it going and get it understood. It will necessitate legislation, and when that legislation is introduced will be, I submit, the time to deal with the details of the scheme.

The hon. member also asked for Government's plans in respect of the agrarian problem—I will deal with that when I deal with the remarks of the hon. member Archdeacon Beecher.

I now come to the hon. Member representing African Interests (Archdeacon Beecher) who said that the agrarian problem cannot be solved by Kenya alone, it will have to be solved on an inter-territorial basis. Taking the long view, I agree with him, but for the propoganda of an undeveloped land tax and land remaining unused, and so on, and I think I have dealt with that. Land is not going to be allowed to remain unused, and considerable steps have already been taken to prevent it being unused, and, indeed, to enforce proper usage in the last two years. The hon. member referred to the squatter population and thought that those who allowed uncontrolled squatters should forfeit their land, and that I should take steps to see that this was done. The question of squatters has been

touched upon by the hon. Labour Commissioner who, I think, made one of the best speeches I have ever heard in this Council. It was extraordinarily outspoken, and he said a great many things with which I entirely agree and which badly needed saying.

I also admit, and I know everybody in this Council will admit, that there are farms on which squatters have been uncontrolled and in respect of which we are now suffering from the aftermath of maladministration on the part of the owners. Nobody denies that for a moment, but I wonder whether a sort of Hitlerish system of seizing people's land is the best way to deal with the problem. I wonder whether he would suggest that was the right way to deal with maladministration in the native reserves too. (Laughter.) I do not think it is. I think we have got to go a great deal deeper into this question than merely seizing people's land who have made a mess of it. That comes later on, and we shall have to have the powers to do so. I admit that we have got to put our own house in order in regard to the squatter problem, and it is one of the things to which I have given a great deal of time since I have been Member, and so, too, has the hon. Labour Commissioner. We have circularized all up-country committees and farmers, or at least a great many, with a factual pamphlet pointing out the position as it is, and we are now having further discussions, and further proposals will evolve and be circulated. Also, district councils have been very busy on it. No doubt the hon. Member for Local Government will say something about it. I believe we are getting a great deal further by means of the rigid inspections which are now being made and by the propoganda that we are trying to put round, to deal with the squatter problem on a sound basis during the last year or so than ever in the past. That is the right way, to get at the root of the trouble first before we begin to seize people's land.

The hon. member stated in connexion with the Masai that the veterinary position there was lamentable, to say the least, and the present stock position was iniquitous. I think he said, and he resented that so little had been done for the Masai, and so on. This was touched on by other speakers, but I cannot

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refrain from taking up that challenge because those were pretty strong words to use, even in this Council. (Laughter.)

The position as regards the Masai is that in 1942 we did a mass inoculation against rinderpest, combined with a cattle count and classification. The cattle population in 1942 we counted as 653,000. The true figure would certainly be higher than that, because there would be some escapes, though the department does not think these were very great. Probably there were not more than 700,000 head of cattle. Early in 1944 the mass rinderpest immunization was completed, and in subsequent years annual increases were dealt with; the small calves were not immunized until the following year. It was estimated that in addition to the cattle population the Masai owned 700,000 to 800,000 sheep and at least 150,000 goats and large numbers of donkeys.

I would like to give you the inoculation figures for 1942 up to 1945, because I want to repudiate the statement that nothing has been done for the Masai. In 1942, 22,400 head of cattle were inoculated against rinderpest, 59,000 for pleuro-pneumonia (which entails three inoculations per head), 11,000 for blackquarter, and 1,500 against anthrax; in 1943, 515,000 against rinderpest, 123,000 for pleuro-pneumonia, 25,000 for blackquarter 2,500 for anthrax; in 1944, 91,600 for rinderpest, 591,000 for pleuro-pneumonia, and 15,000 for blackquarter and 1,100 against anthrax; in 1945, 39,000 for rinderpest, 555,000 for blackquarter, 39,966 for blackquarter, and 12,500 for anthrax. In 1943 there was a great deal of rinderpest in Masai, the calves being affected mostly, and in 1944 and in 1945 there were nine and twelve outbreaks respectively. Contagious bovine pleuro-pneumonia was also active in certain areas, and the incidence of the disease was markedly reduced by the inoculations of the herds affected.

The classified census figures indicate that the Masai cattle must be producing at least 50,000 bullocks a year. Even if you allowed for an internal consumption of 1 lb. per head per week, which, of course, they do not eat, some 25,000 bullocks should be available for export. In addition to these, large numbers of

culted female animals should be available for export. Since 1944 the only appreciable mortality has been through drought. At times this has caused considerable mortality. This, combined with the huge numbers of stock kept by the Masai regardless of the carrying capacity of the land, and the high breeding potential resulting from the appalling Masai stock farming methods, are the major problems they have to contend with.

I do not think on the figures I have given that anyone can claim that we do not do anything at all for them. In a large measure the troubles of the Masai are of their own making. They are bitterly opposed to limiting their stock to the carrying capacity of the land; whenever one provides water supplies for them their one idea is not better farming, but it is "more water, hurrah! more cattle"—it is their one and only idea. I will not dwell on the windmill episode, because it has been answered by the hon. Director of Public Works, but I would say this about that windmill and the Masai generally. That particular windmill was put there because we could not get anybody to work a hand pump, nor would they produce bullocks for pumping by animal power, and now you cannot even get them to look after an engine after it has been put in for them; they cannot even dig a water hole, the Wakamba or Kikuyu have to dig it for them, all of which shows that they are not easy people to deal with. They cannot even clear paddocks, but ask for heavy machinery to do it with. Until the Masai help themselves it is hard for us to do more to help them. (Hear, hear.) There is a lot more that we are, in fact, doing but I will not weary Council any further.

SIR ALFRED VINCENT: I hope the hon. member will not hurry because of the clock.

HIS EXCELLENCY: I hope not. We have one measure to take at the end of the proceedings, and if the hon. member has not finished he can resume to-morrow. I am sure that all members wish him to go all the time he requires.

MAJOR CAVENDISH-BENTICK: In that case I would like to deal with the agrarian problem to-morrow morning. If

[Major Cavendish-Bentnick]

I start now I shall not finish in a quarter of an hour.

The hon. member said that enormous sums had been spent on the African Settlement Board which really are not justified. I should just like to state what these allegedly enormous grants were; I am not talking about individual schemes because I have circulated a paper which gives the position about the various schemes in operation. From January to October, 1946, the administration expenses were £3,688, £9,000 was spent on investigations, and £13,600 Makueni bush clearing, which I do not consider a very great sum for ten months' expenditure. On the contrary, I think it totally inadequate for the problems we have to face. If the hon. member will forgive me, I will deal with the land business to-morrow.

The hon. member Mr. Nathoo said we should call a halt to the expenses of the Administration, and I have already said something about that. I am only too anxious to hear hon. members draw attention to waste of money, but I do wish we could get away from this everlasting yapping about expenditure without being able to point to something that is unnecessary expenditure or expenditure we really cannot afford. He also said little had been done in the interests of the Indian farmers. Actually, I had a long talk yesterday with the hon. member Mr. Pritam also on this subject and, as far as I know, everything possible is being done in their interests, and I am only too anxious to do anything I can. The Indian farmers who farm around Kibos are deserving people; they work very hard, and if anything can be done for them I shall be only too anxious to do it. But the hon. member is surely suffering under some misapprehensions. For instance, talking about the possibility of Government giving a guaranteed price for sugar cane. I cannot help pointing out that even supposing Government did, and it is not a crop that lends itself to that, in that event the cane would be treated in the same manner as certain European crops and would automatically become my property, as representing the Government, and would have to be disposed of according to my directions, and whether

that would pay the growers in comparison to their present methods of disposing of cane products I am not so sure. I think they are better off as they are. However, anything that can be done will be done, and probably these Indian settlers are rather hemmed in at the moment.

**HIS EXCELLENCY:** If the hon. member would prefer to resume to-morrow, we have one other order to dispose of now.

**MAJOR CAVENDISH-BENTNICK:** I think I would, sir.

The debate was adjourned.

#### SUSPENSION OF STANDING RULES AND ORDERS

With the consent of the President, under Standing Rule and Order No. 108, **MAJOR CAVENDISH-BENTNICK** moved: That Standing Rules and Orders be suspended to enable the Game (Amendment) Bill to be taken through all its stages this day without due notice.

**MR. FOSTER SUTTON** seconded.

The question was put and carried.

Standing Rules and Orders were suspended.

#### GAME (AMENDMENT) BILL

##### FIRST READING

On the motion of **Major Cavendish-Bentnick** the Game (Amendment) Bill was read a first time.

##### SECOND READING

**MAJOR CAVENDISH-BENTNICK:** Your Excellency, I beg to move: That the Game (Amendment) Bill be read a second time.

Hon. members will see that the memorandum of objects and reasons was made extremely lengthy, in order to try and explain to members of this Council why we want to push a bill of this kind through all its stages at once as in the case of bills affecting customs, etc. otherwise many people would rush off to buy licences. There is no doubt whatever that wholesale slaughter of elephants is taking place at the present time. The price of ivory has gone up in consequence and people are taking out licences in large numbers themselves and also in the names of their wives and families and

[Major Cavendish-Bentnick]

everybody else, and something has got to be done to control this abuse. I think that we shall in time—but it will take a good deal of thinking out—have to introduce certain amendments into the existing Game Ordinance, because I am not satisfied that we have adequate control under the ordinance as it stands to-day. But it is no good trying to rush a thing like that, with no time to think out amendments properly, nor has Council time to discuss such a bill properly during a budget session. In order, however, to improve the position as it stands to-day, it is suggested that we should alter the rates charged in respect of licences to shoot the first and second elephants, and the Game Warden thinks that as on a previous occasion this increase will have a considerable effect in the desired direction.

**MR. FOSTER SUTTON** seconded.

**MR. BOWSER:** There is just one point I should like to make and that is, has the hon. member considered what effect it is likely to have on people who come from other countries to shoot, tourists and so forth?

**MAJOR CAVENDISH-BENTNICK:** Yes, the effect has been considered, and the Game Warden is quite satisfied that it will have no effect.

The question was put and carried.

##### IN COMMITTEE

**MR. FOSTER SUTTON** moved that Council do resolve itself into committee of the whole Council to consider the Bill clause by clause.

**MR. TROUGHTON** seconded.

The question was put and carried.

Council went into committee of the whole Council.

The Bill was considered clause by clause.

**MR. FOSTER SUTTON** moved that the Bill be reported without amendment.

**MR. STACEY** seconded.

The question was put and carried.

Council resumed.

**HIS EXCELLENCY** reported the Bill without amendment.

#### THIRD READING

**MR. FOSTER SUTTON** moved that the Bill be read the third time and passed.

**MR. STACEY** seconded.

The question was put and carried, and the Bill read accordingly.

#### RULES OF DEBATE

**HIS EXCELLENCY:** Before we adjourn, I should just like to refer once more to what I said earlier in this sitting. The point is that a member, under Standing Rule and Order No. 43 (ii), is not to be interrupted unless out of order. Unless the member speaking is out of order he must not be interrupted. There is every provision for a member to make a personal explanation, either at the adjournment or after the member speaking sits down, but that does not affect the perfectly plain rule that a member must not be interrupted when speaking unless he is out of order.

**MR. COOKE:** May I raise this point, sir? You have not mentioned 43 (iv). At any rate, it has been the custom of this Council to rise to a point of personal explanation, and it is the custom in the House of Commons. If custom forms a precedent—

**HIS EXCELLENCY:** Rule 43 is perfectly straightforward, a member is not to be interrupted unless out of order. When he sits down, if another member catches the eye of the President he can rise and give a personal explanation, even if he has spoken before.

**MR. COOKE:** Your predecessor ruled exactly the opposite on one occasion, and it makes it rather difficult for us.

**HIS EXCELLENCY:** I will consult with my legal adviser and refer to the matter again to-morrow.

#### ADJOURNMENT

Council adjourned till 9.30 a.m. on Wednesday, 4th December, 1946.

Wednesday, 4th December, 1946

Council assembled in the Memorial Hall, Nairobi, at 9.30 a.m. on Wednesday, 4th December, 1946, His Excellency the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### RULES OF DEBATE

##### RULING BY PRESIDENT

**HIS EXCELLENCY:** Before I take the minutes I will deal with the matter that occurred yesterday.

I said yesterday, at the adjournment, that I would look into the question of *interruption on points of order* raised by the hon. Member for the Coast, and take advice. I have now done so. I should like to emphasize that I am dealing purely with the interruption of a member when he is making a speech.

Rule 1 is explicit in the following terms:—"In all cases, not herein provided, resort shall be had to the rules, forms, usage and practices of the Commons House of Parliament of Great Britain and Northern Ireland which shall be followed so far as they may be applicable to the Council and not inconsistent with the following Rules and Orders nor with the practice of the Council."

Rule 43 (ii) of the Rules of Debate referring to a member addressing the House says categorically that "he is not to be interrupted unless out of order". It is clear, therefore, that as long as that Rule stands no interruption except on a point of order is permissible.—If the Council is not satisfied with that position then a motion to amend that Rule should be set down, but the President cannot disregard the explicit terms of the Rules of the Council.

Rule 43 (vi) permits a member to speak more than once in explanation or to a point of order. As regards explanation, *May's Parliamentary Practice* has the following to say:—"In the Commons, a member who, during a debate, has spoken to a question may again be heard to offer explanation of some material part of his speech which has been misunderstood; but he must not introduce new matter, or endeavour to strengthen by new arguments his former position, which he alleges to have been misunder-

stood, or to reply to other members. Somewhat greater latitude is permitted in cases of personal explanation; where a member's character or conduct has been impugned in debate."

It continues that the proper time for explanation is at the conclusion of the speech; that calls for it, but that it is a common practice for the Member desiring to explain to rise immediately the statement is made to which his explanation is directed, when, if the member in possession of the House gives way and resumes his seat, the explanation is at once received; but the explanation cannot then be offered, if the member who is speaking declines to give way.

Having in mind the precise wording of the Rule 43 (ii) of this Council, it is my conclusion that a member is out of order in rising during another member's speech to offer an explanation, except on the grounds that the Member speaking is himself out of order, as, for instance, by misrepresenting what the other member has said, or committing any of the breaches of order specifically referred to in Rule 43 (z).

There is thus some latitude for difference of opinion as to what is and what is not out of order, but it is quite clear that interruptions are only permissible on points of order, as our Rules now stand. While willing to give members all reasonable latitude I must, therefore, request them to abstain from interruptions except on a point of order, and then to state the point of order and sit down. The point of order may in fact be a correction of a mis-statement, but it is straining it too far to make it the occasion of explanations of a statement which the member speaking has quoted correctly.

That I believe to be the position, and if the Council wishes that position to be changed, by giving latitude to interrupt on a personal explanation or on a point of explanation, then a motion should be put down. Of course, it will be debated, and it will be left to the free vote of Council, but the rules are legal, explicit, and I have consulted my legal adviser, who confirms that they are explicit.

**MR. COOKE:** It seems to me . . .

**HIS EXCELLENCY:** Will the hon. member put down a motion?

#### MINUTES

The minutes of the meeting of 3rd December, 1946, were confirmed.

#### PAPER LAID

The following paper was laid by Mr. FOSTER SUTTON:

Select Committee report on the Kenya European Civil Service Contributory Pensions Bill.

#### ORAL ANSWERS TO QUESTIONS

##### No. 78—T.L.B. LICENCES

ARCHDEACON BEECHER:

(a) Will Government please state the number of military vehicles recently sold to Africans who had not first been required to secure the appropriate T.L.B. permit to purchase?

(b) Why was this procedure adopted?

(c) How many transport licences have subsequently been granted to the purchasers in question?

(d) Does Government agree that this procedure has involved a number of Africans in considerable unnecessary expense and consequent hardship?

(e) Will Government please consider the possibility of granting licences to such persons in order to grant a measure of relief to that hardship?

(f) Will Government please undertake that this procedure shall not again be followed?

**MR. TROUGHTON:** (a) Permits to purchase motor vehicles are issued by the Motor Vehicle Controller and not by the Transport Licensing Board. I assume, however, that the hon. member means the number of vehicles purchased without any assurance of the grant of a T.L.B. licence. As purchases are made through trade channels, the number of vehicles concerned is not within the cognizance of the Government, but it is known to be substantial.

(b) Because military motor vehicles were in free supply and the maintenance of control through restriction of the issue of purchasing permits was not justified.

(c) 48. A number of applications are still under consideration by the Board.

(d) No, sir. It was clearly stated on the permits that the possession of a permit in no way entitled the holder to a

T.L.B. licence. Additionally, a clear statement of the position was published in the Press and district commissioners were requested, where possible, personally to warn all applicants for permits. All members of the motor trade concerned undertook to warn prospective purchasers in similar terms. If, in the circumstances, any person elected to purchase a vehicle without the assurance of a T.L.B. licence, and suffered hardship, the responsibility was his.

(e) No, sir.

(f) No, sir. It is the intention of the Government to remove the Motor Vehicle Control as soon as such removal is in the public interest and meantime to take every possible opportunity of relaxing it. I may say, however, that the issue of permits to purchase military motor vehicles has recently been severely restricted owing to the curtailment of releases.

##### No. 87—LOCAL NATIVE COUNCIL ELECTIONS

ARCHDEACON BEECHER:

Without waiting for the introduction of new legislation likely to affect African local government, will Government please give orders to ensure that due and widespread notice is given of the intention to hold elections of members of Local Native Councils well in advance, if possible using the vernacular Press in addition to oral and written notices in the districts themselves?

**MR. MARCHANT:** Yes, sir.

##### KENYA AND D.A.R. DRAFT ESTIMATES, 1947\*

WITH DEVELOPMENT COMMITTEE REPORT AND SCHEDULE OF LOAN EXPENDITURE

The debate was resumed.

**MAJOR CAVENDISH-BENTINCK (continuing):** Your Excellency, when the debate was adjourned yesterday, one of the more recent subjects to which I had been alluding was that of the Masai, and after Council had adjourned the hon. member Archdeacon Beecher pointed out to me that I had rather misrepresented his remarks, in that he had not denied that considerable veterinary services had been provided for the Masai; indeed, he had said that the Masai elder whom he

[Major Cavendish-Bentnick] had met at song baraza recently had told him that we were keeping all their cattle alive, but we were doing very little more for them, and that that, in fact, was his point. Of course, it is true, as I pointed out yesterday, that we do a great deal to keep these cattle alive, and we have probably put that aside of our activities too far ahead in comparison with land utilization and other good husbandry measures. The general standard of their cattle is deteriorating, there is no doubt about that. As I pointed out yesterday, the increased numbers that are being bred are vastly in excess of what the land can carry, and bear no relationship to what we are trying to get them to do in other directions.

We are doing demonstration work both in protective veterinary measures and other subjects; we have a school for training the Masai in animal husbandry and elementary veterinary work, but the Masai so far have taken only limited advantage of this, though, as compared with previous years, more pupils came forward in 1944 and 1945 than previously. We also do our best to employ Masai personnel in all these activities, and we hope that this procedure may help to give them a greater interest in this kind of work. We are very handicapped by staff. The departmental staff in the Masai country in 1942 was one veterinary officer and one stock inspector. From July, 1943, to early 1944 we had two veterinary officers and three stock inspectors. Later in 1944, the staff was reduced to one veterinary officer and two stock inspectors, and thereafter, except for a very short period, it was again reduced to one veterinary officer and one stock inspector. The permanent staff is two veterinary officers and one stock inspector. One stock inspector is stationed at Ngong Veterinary Training centre, and he also carries out inoculations in the Ngong area. Of course, as members are aware, we are very short of veterinary officers. It is one of the departments which is very hard to keep up strength, and it is not any fault of Government's; it is simply that one cannot get veterinary officers.

I referred also to the experiment we were carrying out in connexion with what was the Masai wheatlands, and I hope that in due course we will attempt

—I say attempt—to carry out various other experiments on the lines of some sort of control over the numbers of these so-called bovines that are being kept by these people, but I would ask those members representing native interests again; if they do have a chance, to try and instil into the Masai that they have got to help themselves, and this attitude of doing nothing for themselves at all, except wanting to have more and more cattle, makes their problem a very difficult one to deal with.

The hon. member, in his remarks, also asked whether we could have a joint meeting of the Labour Advisory Board and of the African Settlement and Land Utilization Board. The answer is yes, we certainly will have a joint meeting.

I should now like to turn to the agrarian problem, of which the hon. member said that we had talked a great deal, that in the past year or eighteen months we had been mucking about with deserts and that, as far as settling Africans on the land is concerned, we had got nowhere. He suggested that the only large area which had been referred to, which was the Malindi-Garsen area, was full of fly, and he mentioned the Ithanga Hills as a reception area, and said that there was a vast number of people already there. He also stated that the enormous sums we were spending on African settlement were obviously, in the face of those facts, unjustified. As regards the enormous sums, I gave you the figures yesterday, and they are not all that big.

On the agrarian problem generally, I fully sympathize with the hon. member. He, naturally, is desperately anxious to see progress made in alleviating the difficulties that are arising from over-population and from misuse of the land in the past, and so on, and I think I can say that now at any rate there is not one single member of this Council who is not equally conscious of this difficult position and not equally anxious to find some solution, but it is no good thinking that a problem of this kind can be solved by a stroke of the pen, and if you think it is going to be done that way I suggest that you may be doing a dis-service to those who are trying to lend a hand in solving this problem. This problem has grown up over the years. We may be to blame to a certain extent

[Major Cavendish-Bentnick] —we may not have noticed it when we should, or we may not have done things that should have been done years ago, but that is a thing of the past, and the fact is that we are now faced with a problem that has gradually been building itself up over years and years and can only be solved by long range measures. Even supposing you had the land, even supposing you had the goodwill of very large numbers of people to move—you have got neither—but even supposing you had both, plus the finance and the personnel, the actual physical work necessary to prepare the new areas for these people would preclude any wholesale evolution being effected for months or years. We have got none of these advantages. We are faced with a very difficult problem, and any land that is available does require very careful investigation first, and a great deal of work secondly, even to make it available for limited numbers of Africans. We have also got to do a great deal in educating the Africans that are in over-populated districts to get them prepared to move and so on, and I am afraid it is going to take a great deal of time.\*

I deny that we have done nothing for eighteen months but mucking about with deserts. I suppose that what the hon. gentleman means is that we have been investigating areas some of which have been found to be unsuitable, but we had to investigate them, and we have done a great deal of work in investigations in the last year. Indeed, I go so far as to say we have done far more in the last year or eighteen months than has been done for the last 25 years. I see another hon. member shaking his head, but that hon. member is always a very good critic. It will take more than criticism to solve this problem. We have got to try and do something effective. It is very easy to say that nothing is being done, but something is being done, and you know quite well: it is being done because you had, among other things, a progress report circulated to all elected members. We have had to deal with entirely new organizations to deal with this, and that takes time, I do not intend for one moment to say that I am satisfied with what is being done, but at any rate a real attempt is being made. As hon. members are aware, as part of the re-

organization of Government, we have created a series of settlement boards, and the African one is known as the Settlement and Land Utilization Board. We have got that going—we have appointed a chairman, we have appointed the board, and we have collected adequate staff for the board. The chairman now has a staff officer who helps him to keep in touch with the Public Works Department and the Survey Department, in order to help him with priorities as regards this type of work. I hope shortly that he is going to have a staff investigating a large number of areas, and that only on the settlement side. In addition, a great deal of work has been done on the betterment side, which is one of the more important sides, in existing native reserves.

Some hon. members and some people indeed in Government service, seem to think that unless one can achieve perfection it is no good doing anything at all. What I mean by that is this. They suggest that until very large populations have actually been moved and until we have got a complete staff, and so on and so forth, it is a waste of time trying to do anything. I have already pointed out that it is going to take a long time before we can move large populations, and I entirely disagree with people who say without that nothing can be done. Something has got to be done to prevent the land which is not already spoilt from being spoilt. As an example, take the Kikuyu reserve. A great deal of work has been done there, thanks to the Administration and others. Enormous areas of those lands have been terraced. I do not say that they have been perfectly terraced; I do not say that it is the ultimate aim of our efforts, but at any rate land has been terraced, has been fairly effectively terraced and with the goodwill of all the inhabitants. We are adding to that a system of strip cropping, and by that I mean contour strip cropping, again with the co-operation of the inhabitants. This next step entails the sowing of land and so on, to fit in with the contours, and this is now being done, again with goodwill, and I hope we shall get somewhere. At any rate, we have got a long way further than we have for many years past. If it can be done there, it can be done in other places. There is an old proverb to the effect that the best is the enemy of the good, and if



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we are always to do nothing but await perfect solution—perfect both in terms of time and every other term—then I say we shall make very little progress.

I should like to assure the hon. member representing native interests that as far as I know, all the elected members and certainly every member on this side of Council, is determined to take every step possible to assist in solving this problem. But when people sit on boards charged with the task of seeking solutions to these problems and then, when they find such problems very nearly insoluble and damn difficult, walk out because they allege nothing has been done, that, I say, is not the right way to help Government to deal with the situation. (Hear, hear.) We should all pull together and do the best we can under extremely difficult conditions.

ARCHDEACON BÉCHIER: On a point of order, I have not walked out from that Board.

MAJOR CAVENDISH-BENTICK: I did not say you had, I said that that is a general principle and that that is not the way to help. The hon. member did not walk out. (MR. COOKE: Who walked out?) Several people threatened to walk out, as you well know. It is all very well for people to continually criticize and then, when they are answered back, to say they did not do this or did not do that! What we have got to do, if I may say so, is instead of bickering to try and pull together and try and find a solution to this almost insoluble problem.

I believe that certain solutions can be found not only to ease the position in certain districts, but also to prevent other areas getting in the same state. We must, I feel, get away from the idea of dealing with individual holdings. We have got somehow to deal with the problem—I am thinking now of the native areas which have not yet been completely spoiled—by catchment areas, if we can. We have got to rest, if possible, fairly large blocks of land at a time and we have got to devise some form of proper rotation. I am not at all satisfied that we really know enough about tropical agriculture to devise suitable solutions. For instance, in regard to elementary basic principles, one gets very con-

tradictory advice from technical officers and from people of experience. Some people will say that the right thing to do—I am talking now not exactly on this subject—with these sorts of soils is to induce some leguminous or vegetative growth and then to disc it in very deep. Other people say that this is the wrong practice, and that the one thing one must never do is to attempt deep cultivation of these somewhat friable soils. Again, there is great difference of opinion as to the types of grasses that will grow; whether they seed or do not seed, and so on. Again, there are differences of opinion as to the value under our conditions of what is commonly known as "muck" at home. In this country organic manure is usually very leached and, of course, not easy to obtain. Again, there are differences of opinion about the value of green manuring. Again, there are differences of opinion as to whether the practice of mixed cultivation, which has been carried on by Africans for years, is a right or a wrong thing to encourage.

Many of these questions will only be solved as a result of many more years experience, but, as I have already said, we have not got many years in which to do something about this problem; we have to deal with it at once. A good deal of information must, however, exist in this country, but such information as does exist is not as readily at hand as, if I may say so, some technical departments pretend, and for that reason I am hoping that we may have a visit from an eminent agriculturist who has carried out valuable investigations into these very problems recently and published a most interesting report on the Middle East and the Sudan, who I trust will come here for a time and cross-examine a few experts in order to ascertain to what extent he thinks some of our beliefs and practices are justified by true experience or how far some of our so-called beliefs are really based on myth or personal impressions. I consider that such an inquiry is a basic prerequisite before dealing with this problem.

Lastly, before I leave this subject, I should like to say one more thing, to some extent connected with another subject that has been raised by the hon. Member for the Coast and others, and

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that is the Information Office. There is no doubt that the Africans so far as this agrarian problem is concerned are at the moment suspicious, and are not as co-operative as one would hope. I am sorry that that position has arisen; because I do not believe that there is any foundation for their suspicions whatever. I do most honestly believe that there is not one single person in this Council who is not absolutely genuinely determined to play his part in helping the African as regards this particular difficulty. But the African equally has got to help himself. He has got to readjust his ideas, but there should be no suspicion that we are, for instance, trying to take his land or anything of that kind, and so I do hope that those who represent Africans on this Council and that those whose duty it is to disseminate education and knowledge amongst the Africans will try their level best, conscious that it is really the truth, to instil into the African the idea that we are really out to help him and that the advice we are giving him as regards his agricultural methods and so on is really given to him in his own interests.

The hon. member also said a good deal about maize mining. That, I think, was effectively answered by the hon. Director of Agriculture.

I will now leave that subject, I may come back to it later, and I will deal with one or two other matters raised.

The hon. Member for Kiambu talked about the 8,000 tons of sugar cane which could not be cut at Sukari Ltd.—I think that point was met by the hon. Labour Commissioner, and I need not add to that.

The hon. Member for Rift Valley said that farmers had now to borrow money at interest and that a start had been made towards reducing prices to European producers while costs of production were continually on the increase; that this disease of reducing prices was liable to spread and would have deleterious repercussions on the soil. I know what he is alluding to. Certain changes were made in the method of dealing with crops this year as against previous years. In order to get back more or less to pre-war normal arrangements, we did propose in future to pay not the actual producer but the agent a price to be decided, and he

would pass on that price less the overhead expenses the agent incurred to the producer, in lieu of guaranteeing any price to the producer and then adding on what it cost the agent to do the work. This change is sound in principle, and, incidentally, was agreed to by the K.F.A. Of course, if the agent overcharges the remedy is in the hands of members, who can ask why they were overcharged.

One further change has been made in connexion with the moneys advanced to the K.F.A. in order to purchase crops after they have been harvested, which had to be kept on farms pending the time when the Cereals Pool could accept delivery. Obviously, one has got to have some arrangement of that kind, because the Cereals Pool cannot economically store or turn over vast quantities of crops which a farmer can store cheaper and better; equally, a farmer cannot be expected to store them for an unlimited period without obtaining finance in respect of his crops. Under normal conditions he would sell it. An arrangement for providing advances against such crops was therefore agreed to, and no interest was charged. The proposal this year was that interest would be charged. When I came back from England I discovered this and considered the proposal unfair, and in consequence I took the matter up with Government, and it has been decided that no interest will be charged to the producer on the sums advanced. (Hear, hear.) That, at any rate, is one avenue in which prices are not being decreased.

As regards the general idea that prices are going to be reduced, as I said before, I can see no reason for it, at least none for it during the next two years. Also, of course, costs of production will be taken into account in fixing the prices.

The hon. member went on to pay tribute to the locust campaigners, and I cannot let his remark go without amplification, because I do not believe the average person in this country has any idea of the magnitude of the threat of a really serious locust infestation that has existed during the last few years. We have probably had one of the worst locust infestations in history in this part of the world, and yet our crops have been comparatively immune. That is due to the efforts made not only on our frontier, but all over the Middle East,



[Major Cavendish-Bentinck] right from the Northern Frontier of India to the other side of Africa. At the same time, the efforts made on our own frontier have been most remarkable. Many people have been most extremely hard under terrible conditions, and I think we owe them a debt of gratitude. (Applause.)

The hon. member also referred to the Veterinary Department, and if I heard him aright he said that our herds and stock industry compared favourably with England or Ireland. I am afraid I beg to disagree. Our average cattle certainly do not, despite the fact that we have some very good herds. Be that as it may, I also am much concerned about the Veterinary Department, and I can assure you that before I went to England, while I was in England, and since I have been back, it has been my particular endeavour to try to improve the department and to get more staff. The hon. member is quite right, it is in some ways one of the weak spots in our organization, and that through no fault of the individual officers but simply through lack of staff. He said that we have to pay more for veterinary officers. I have already alluded to that in referring to the remarks of the hon. Member for Mombasa.

He also asked what was being done about beef measles by way of research because, he says, condemnments will start to go up again shortly. I am afraid that I cannot answer that very satisfactorily. A certain amount of research work has been and is still being done by a temporary veterinary officer, but I am afraid that as far as travelling teams are concerned, at the moment these are in abeyance, but I will go into that and see if I cannot get any such service moving again.

The hon. member referred to a tax on cattle owned by Africans. A cattle tax has been considered, but always rejected as being very difficult to apply, and I think personally it would be extremely difficult to apply in practice. I am not so sure, either, that it would have the effect that is expected.

I now turn to the remarks made by the hon. Member for Western Area, who has given me a great number of questions which I will endeavour to answer. In the first place, I must congratulate him on having made the only speech

during this debate which was purely on racial lines, rather pathetically so, in my opinion, and I rather regret it. He started off by wanting to know, as did the hon. Member for the Coast, about Taveta and Ziway, why there was £10,000 in the Estimates this year, and why £175,000 had apparently been spent, who was responsible, if an inquiry should be made public, and so on. I think the hon. Member for the Coast went further; he wanted a royal commission or commission of inquiry or something. I should like to say straight away that in discussing this I am not defending myself, except during the last year or so, during which period I consider I have nothing to defend, because it might be misunderstood that when I advocate these schemes I am defending myself. It so happens, however, that I was not connected with them in the early stages.

It is all very well to criticize these schemes, very easy after the event to say they were mistakes, and to rake up all sorts of stories about vast expenditure, and so on. The fact is, however, that these two schemes were started in the best, as it was thought at the time, when war was on and we had to find food, and I can find nothing in any part of the history of these schemes that does not show complete genuine good will, very hard work, and absolute honesty on the part of everybody concerned. These irrigation schemes were started as food production measures when there was a desperate shortage of food. I admit that revenue returns were disappointing, but it was thought at the time by the persons responsible that we were taking a risk justifiable under the then circumstances. And, let me add this, one penny was spent on them, except with the full knowledge and approval of the Standing Finance Committee and all other appropriate authorities concerned.

It must be remembered also that our knowledge of production under irrigation is extremely scanty, and that mechanized cultivation of rice was completely new to East Africa, if not to the whole of Africa. I know it is said that we tried to grow rice on land that was condemned by certain officers in the Agricultural Department. That is a sweeping statement. These officers did say that certain of the areas involved

[Major Cavendish-Bentinck] were not so good, but they did also recommend that certain areas were good. These production schemes were in the hands originally of a committee—it was not until the middle of 1944 that I took them over at the request of Government. The Taveta rice scheme has now closed down and the last crop reaped, and all that remains is for a valuation and disposal of the plant and stores. We have had a board of survey, and some plant has already been taken away.

This year the revenue of the Ziway scheme will equal and more than equal the expenditure. It is at the moment, on rough figures, showing a revenue of £1,000 to £1,500 in excess of expenditure. The £10,000 shown in the estimates is to build head works and a portion of the canal to provide water for irrigation at Taveta, in pursuance of the agreement entered into with the estate in connexion with which certain work was carried out in 1943 and 1944, the cost of which is included in the sum mentioned by the two hon. members.

It is always very easy to criticize, especially after the event. As far as the Ziway scheme is concerned, as a physical effort it was a very remarkable effort and, indeed, it led to the possibility of current expenditure being less this year than current revenue. As regards Taveta, equally the Block-C scheme was in its way a remarkable physical effort. It may have been misjudged and, in the light of events, I do not deny it can be said to have been extremely expensive, but had the war gone on for another two years, which everybody at that time had reason to expect, far from criticizing that scheme people would now be saying that Government were long sighted to have devised it. It is all very well to criticize after the event what was done in a period of crisis, but if we were back to those years I certainly, for one, would recommend starting them again. As far as a commission of inquiry is concerned, a very detailed report was made, followed by a complete and impartial examination by the Standing Finance Committee and Government, and I do not think there is any necessity to have a commission of inquiry into those schemes, which, I may add, is Government's decision.

I was asked about the Masai wheat scheme. This, of course, has been closed

down. The last crop has been reaped and a board of survey on the disposal of the assets has been held, and its recommendations have been carried out. Certain minor expenses still have to be incurred in order to protect the property which is left there until its disposal; a certain amount of loose assets are there. The £1,000 shown should cover this and meet in the agreement with the Masai we returned in good condition, which entitled the reaper of grass cover. In passing, we hope to carry out grazing experiments in this region on a large scale, for which the co-operation of the Masai is being sought.

The hon. member also asked about the Návasha workshop. He has been very assiduous in his efforts to find something to object to! This was closed in January, 1946, and the maize scheme was also closed down then. As regards the latter, it was not a success during its existence. We never had any rain there at all, but since it has closed down there has, of course, been plenty. (Laughter.) The Návasha workshop did an extremely good job of work during the war for the people in that area, and I am proud to say that that was my idea and, if the war started again I would have another.

Cereals Pool. I am a bit muddled with what the hon. member was getting at in regard to this Cereals Pool. Roughly speaking, as you know, it is an East African pool, was designed to secure supplies of cereal foodstuffs for African labour and African requirements, to control importation if and when necessary, etc. It would be quite impossible to abolish it at the present time.

As regards other Controls—produce, potato and so on—they have separate names, but they really all work under the Director of Produce Disposal. In some cases the Controller is the same gentleman with a different hat! And the Produce Controller is the overall executive authority on the allocation of food on an East African basis. I think the Cereals Pool will be dealt with by the hon. Financial Secretary, so that I will not say more about it now. I did, however, lay on the table yesterday an account of its operations during the last two years.

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The hon. member also said that as another example of the scandalous behaviour of Controllers and Government that we exported beans at a time when beans were badly wanted. I am glad he raised that, because the story is this. Early this year there was a great how-d'ye-do about Controls, and pressure was brought to bear to release control over certain articles, among them beans. I, personally, bitterly opposed it. The controls, however, were raised, with the result, of course, that certain merchants bought every bean they could to export them to South Africa, where they were getting very high prices. As every bean in the country immediately disappeared the control had to be reinstated, and now occasionally, if you search, you may obtain beans. That only shows that at the present stage of our food supplies we cannot let go control.

The hon. member suggested that land in forest reserves was being given out to people who were already holding land for speculation, and that this was all wrong. That is not true. It is true that there is a certain amount of pyrethrum being grown in forest reserves under arrangement with the Conservator of Forests, but those licences will expire before the end of 1947. We are keeping them on until then to fill our contracts with the Ministry of Supply. It is quite untrue to say the land was given to people who are holding their own land for speculation. The land was most carefully given out, and I do not think any possible criticism can really be raised to the system.

He also said something about temporary sawmills. The situation about them is this. During the war a large number of licences were given out to small sawmills to work isolated patches of forest which required clearing, and these licences were clearly understood to be temporary. When the war came to an end, I gave instructions that these temporary sawmills should cease to operate. They are ceasing to operate. Of course, the gentlemen who have these temporary licences wish to make them permanent, but I am afraid that they were given out as temporary licences and they have got to remain temporary licences and come to an end.

The hon. member also criticized the Indian Settlement Board and mentioned Kibigori. The Indian Settlement Board has sat several times and made certain investigations—in my opinion not enough—and it is in the hands of an Indian chairman, and I will repeat, as I have repeated again and again, that any suitable areas that can be found will be considered and, if possible, given out. As regards Kibigori, I will go into that, that is all I can say. I am rather doubtful whether it will be possible for us to relinquish Kibigori as a veterinary holding ground for, at any rate, some time to come. It looks to me, from inquiries I have so far made, that that is a key position from the point of view of meat supplies for the country for the time being, but I will go into it. I do not think any promise can be made.

On the question of water priorities at Rumuruti and some other places about which the hon. member asked, all hon. members know there is a desperate shortage of personnel for carrying out approved works, and also a shortage of equipment for boreholes and, above all, pumps, and also that dam equipment is very difficult to get. The need of each water supply has to be considered, and I think the best is done with the personnel and material available. Some areas already have water supplies, others have none. All these factors are taken into consideration. Kakamega was mentioned, but this already has a water supply and only an extension is being asked for. This will be carried out as soon as conditions permit. Rumuruti requirements have been looked into, and they are considered of such relatively minor importance that I think its priority at the moment is rather low.

The hon. member then quoted a tremendous number of figures with which he endeavoured to prove or deduce that nearly all the money Government votes for agricultural purposes is devoted to Europeans whose acreage was X as against the African whose acreage was far greater, and so on. He says he got the figures from my department and that they therefore must be accurate. (Laughter.) I think their accuracy was proven in two ways: first of all, by my hon. friend the Director of Agriculture, who made precisely opposite deductions. I think on possibly sounder premises, and

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secondly, by the fact that the hon. member himself got up the next day and said that he had discovered that his figures and deductions were quite wrong, but that it made no difference. (Laughter.) I should just like to say that the figures he got were accurate figures of European acreages, but only a very rough computation of acreages that were alleged to be under cultivation in native areas, and I will say here and now that neither I nor the department which comes under me has any idea at the moment of acreages in native areas. I suspect they are considerably greater than those given to the hon. member, which fact may help him in his alleged case; also, we have to remember that the native habit is zealously to plant continuously throughout the year in the hopes that something may happen, in their efforts to secure two crops a year. As a matter of fact, as has been plainly shown by the Director of Agriculture, far from the case being that much money is spent on the European and very little on the African, the position is exactly the other way round, as it should be.

I apologize for being so long, but if everybody shoots things at me they must expect to have to listen to the answers!

The hon. member then referred to the purchase and production of vegetable seed—an item of £4,000—and I think that was dealt with by my hon. friend the Director of Agriculture. This is money which is being utilized to build up what we consider to be an extremely promising industry for the export of vegetable seeds. There is no doubt that this industry is one of the few places in the world that is capable of producing vegetable seeds of very high quality, and the expenditure will no doubt be fully recovered when the industry gets going. I, personally, strongly recommend that that item remains in the Estimates.

Then he attacked fertilizer subsidies, and this I think I dealt with yesterday. He then attacked the machinery pool, and said why has not that disappeared and why does not the K.F.A. undertake this work, and so on and so forth. The Pool, I am afraid, will have to be kept going another year at least, and I do not believe there is any farmer here who would seriously suggest under present conditions—the arrivals of machinery

from overseas are terribly disappointing—that this Machinery Pool can be done away with. I wish it could. It is a tremendous headache and a very difficult thing to organize. It is used, of course, to assist the beaking of new land and to allow land which has been continually cropped during the war to be rested. A further development has been that, in order to assist the transfer of Africans from over-populated areas to new settlements, the new land has been broken by means of machinery, and the African Settlement Board is now in consultation with the Machinery Pool to see to what extent it can help out. As I said, supplies of new machinery are very behindhand, and without the Pool I am quite convinced the production of this country would go sailing down, and I am afraid we must carry it on, incidentally. I think it has done extremely good work, thanks to men who go from place to place in all weathers and all conditions and work extremely hard, and I do not think we really appreciate sufficiently the work they have done for the country.

I think he also said the Agricultural Production Board was a poor show and should disappear. It will not disappear; it is going to remain. It will eventually become the Central Board of Agriculture, which is badly needed. I do not believe the hon. member Mr. Pritam can deny that the Agricultural Production Board during the war years has at any rate done some good. It has raised our gross yields from under 800,000 sacks to 2,000,000, which is a considerable increase in production and which was very badly needed at the time. I do not think I need waste the time of Council any more on this.

Then the hon. member said that maize prices were fixed by farmers who got together and dictated prices, and that the problem of over-production next year would get us into difficulties because we should have over-production plus very high prices. I do not think my hon. friends opposite who are farmers would agree that prices have been dictated by the farmers during the last few years. At least, they have not given me that impression! Of course, nothing of the kind has taken place. Prices are guaranteed to native and non-native producers and there is no discrimination. The prices of practically all commodities

[Major Cavendish-Bentick] are fixed—i.e., all races benefit from these fixed prices by an inter-territorial committee, and that is one of our difficulties. This Government cannot fix any price in this country without inter-territorial consultation, and far from the farmers dictating prices it is really the inter-territorial body that dictates prices. As for the problem of over-production, I only wish there was any sign of even adequate production next year. In my opinion, we shall not produce enough to feed East Africa for the next two or three years.

I think I have dealt with most of the hon. member's points.

I now come to the hon. member for Machakos. He asked whether... (laughter)—I have forgotten that he represents Ukambali. He asked whether £1,600,000 for settlement for Europeans was reimbursable. Taking it over a long period of time it is, of course; the bulk of it will be reimbursable. He then talked about the agrarian problem in native areas and about the vigorous enforcement of sound agricultural practice and, where necessary, compulsion. I think that he, more than most members of this Council, is quite convincing about the desirable way to try and deal with this problem is with the goodwill of the African through African authorities. I think we all agree on that. At the same time, if that is going to take an interminable period and if we do not get the co-operation we should from the African, there will have to be greater rule-making powers; in other words, some form of enforcement of proper agricultural practices. In that connection I would say that experience has shown, since the various departments have come into one group, that we are very lacking in law as the laws of the country are concerned, under which one can impose rules and see that they are carried out by either native authorities or by individuals, and that subject is one which has been brought to the notice of Government and is one which is being investigated at the present time.

He talked about the Development Committee report, and said that 40 per cent of the expenditure was for agriculture, soil conservation, etc. As a matter of fact if he will include forests and water, which are two further subjects

for which I am responsible, the figure is 53 per cent. He says that a small body such as D.A.R.A. should achieve action, and I cannot agree with him more. I only hope they will. Of course, they will be the stimulus to action rather than attempt to carry out work themselves. It will be our job—talking now on behalf of my departments—to carry out the D.A.R.A. work—and it will be the Authority's job to see that the work is, in fact, carried out.

He then mentioned the Iihanga Hills land, and asked for some assurance about the illegal infiltration, which is said to have occurred there. This has been taken up and has been mentioned by the hon. Chief Native Commissioner. The reports we have had so far show that illegal infiltration has been very exaggerated and, indeed, I am very astonished on what a small scale it has taken place, and that has been dealt with.

The hon. Member for Aberdare painted a very lugubrious picture of the future, and pointed out that all the prices of our various products, whether maize, wheat, sisal, coffee or pyrethrum, are, in fact, artificial. I do not know quite what he meant by that. They are not artificial in respect of world prices to-day. If that means that world prices may go down and ours will have to go down too, of course that is so. I do not think, however, that the fact that world prices may go down in the future quite justifies the very dark prognostications which he gave us. It is a matter of point of view, I, of course, take exactly the opposite point of view, and think that we have an undeveloped—but promising country, we have now got the means, and it is our job to go all out to develop that inheritance and not hang back and tremble lest something unpleasant might happen in the dim future. (Applause.)

He talked about the Simba borehole and the country round the Simba borehole. I know that country, and I will go into that matter.

The hon. Member representing Native Interests, Mr. Mathu, raised various points, but I do not honestly think he raised any one which particularly affects me. I cannot see one which requires an answer from me, but he will no doubt get answers from other members on points he did raise.

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The hon. member Mr. Patel, in referring to various things that do not much to be going done for the African under D.A.R.A. and so on, which is quite untrue and, incidentally, I must say something about that statement. The reason why more detailed plans did not appear in the Development Committee Report was, I imagine, because, for instance, taking the agrarian problem, it was at that time very hard to put details in, but if he looks at all the sums voted for African development he will find, I think, that they are, within the limits of what was possible, adequate. He said that members of the committee only moved another one section of the community and that, consciously or otherwise, they overlooked the needs of other sections. I was not directly on the Development Committee, but I was certainly one of the people who worked hard on three of their reports and I take exception to that. It is absolutely untrue. I do not believe that anybody who was connected with the investigations which eventuated in the Development Report thought of one community as against another. He also mentioned that he was disappointed in the recommendations as regards coast development. If that is so, Your Excellency has himself taken a great interest in adequate development for the coast and, as far as the activities of Government which come under my control are concerned, we are doing the same. Indeed, I have already sent down to the coast a special officer to be attached to the Provincial Commissioner, to deal with certain aspects of the work.

I think I have dealt with most of the points that were raised. I was surprised that more was not said about water during the course of this debate, because that is one of the most important problems which have got to be faced and solved. As far as water is concerned, a Water Resources Board is being appointed, and the whole country is being divided up into catchment areas which will have their own boards subsidiary to the Water Resources Board. These catchment areas will probably not be co-terminous with any existing divisions of the country, because you must, in dealing with water, deal with the catchment area, not necessarily with a provincial or district area.

In conclusion—I am afraid I have been an interminably long time, but it is the fault of people who will put these questions to one (laughter)—exhortations to the Standing Finance Committee seem to be the fashion, and as I suppose I have as much right to give an exhortation as anyone else, it would be this. The Development Committee Report has been accepted, in principle at any rate, by everybody, and that means that we have accepted the policy of a big development programme, and of going ahead with development schemes for which money will have to be provided. So please remember that it is very easy and sometimes rather futile to argue about an interminable expense here or an expenditure there. If it is found necessary to cut some item out together, by all means say so, but give those responsible a reasonable chance to carry your plans into effect by giving them reasonable elasticity, and do not, in your consideration of the Estimates, allow your judgment to be affected too much by what I call political considerations. (Applause.)

MR. VASEY: Your Excellency, in rising to speak in this somewhat prolonged debate I do so with the knowledge that I am in the position of being the last speaker from the unofficial side of Council and that there are still behind me some five Government speakers at the minimum. Therefore, if I may so, I am somewhat in the position of a tired English bowler, who suddenly sees the Australian produce five batsmen in the order of Bradman, and it is on that that I wish to make somewhat mild, but, nevertheless, firm protest. It does seem to me that in an important debate of this kind it is wrong that Government should have not only the last word—because, of course, that is Government's privilege—but should have, as it were, five last words: We shall be told that all the members concerned have to answer the necessary questions which have been asked in the debate. Well, that also happens in almost every debate, and I do feel that the last four speakers in any debate of this kind should be a representative of the African interests, a representative of the Indian interests, and a representative of the European interests from the unofficial side, and then the hon. mover to reply. I feel that

(Mr. Vasey) otherwise it leaves Government with far too wide a latitude to cover the area that it is defending. (Laughter.)

I would deal with details first, important details, but nevertheless details, and move to the principles on which I stand, I think I am right in saying, the great majority of my European colleagues follow the hon. Member for Nairobi South in their opposition to the acceptance of this budget as a whole.

Moving to details first, the hon. member Mr. Thakore, I was delighted to hear him support the hon. Member for Nairobi South in his plea for a reduction of taxation.

He referred to the Transport Licensing Board and to a case which other members have dealt with, the case of Africans who have been allowed to purchase lorries and have been refused Transport Licensing Board licences. The hon. member Archdeacon Beecher asked a question this morning on this position. I have not spoken to him, but I imagine he is quite as dissatisfied with the reply as I am. (ARCHDEACON BEECHER: Hear, hear!) The African has not got the standard of knowledge, he has not got access to channels of information that the European and Asian have, and many of these Africans have been to see me personally as a result of the position that has arisen. They have in some cases spent £200 to £300 on the purchase of a lorry and fitting it out as a bus. Now, having the lorry and having the bus, and having sinned—if sin it is—not wilfully but—in complete ignorance—they find themselves in a very difficult economic position. What is going to be the result? These Africans have spent their all on these lorries, and now they must either sell them at a sacrifice or lose or they must do what I believe they will do—they will come out and pirate, because that is the natural reaction under these circumstances.

I deeply regret that the hon. Financial Secretary was so definite in his reply, and that Government, if that is its attitude, has shown, shall I say, lack of imagination and understanding of what the reaction of this feeling of injustice will be. It is, as I said once before in this Council, not only important that justice should be done but that justice should

appear to be done; and to the great majority of Africans to whom I have spoken on this matter justice does not appear to be likely to be done. They are paying a heavy price for their ignorance, and if it can be eased, I suggest that Government reconsiders the reply to Question No. 78 (e) and the situation.

I should like to read a quotation from the African paper *Mwalimu*, which reflects, I think, quite a considerable portion of African opinion on this matter: "There are many roads in which transport facilities are monopolized by Asians or Europeans. It is true that perhaps they had the honour of being the pioneers in building up such transport businesses, but even if it is so, when Africans can do the same they should be encouraged to do so. In this case we can give an instance of the Nairobi-Machakos road. Up to now this road is monopolized by Asian transport, and we understand that certain Africans who have purchased a motor vehicle have been refused a T.L.B. licence. There are other roads in Kenya which are monopolized in this way, and Africans have been refused to put their vehicles in such roads. This is a bad state of affairs, and we would like to draw the attention of the authorities concerned to rectify the mistake they are making in refusing to allow Africans to compete with others in this business".

If that statement is true—I cannot believe the editor has written it without close acquaintance with the facts unless he was pretty sure of his foundation—I agree with the sentiments expressed. The avenues open to the African in private enterprise—in business, in trade, are limited, and it is a pity if one of the few channels that can be opened up to the African is not opened freely and to the greatest extent possible.

The hon. Member for Mombasa asked about customs estimates and whose they were. The hon. Acting Commissioner of Customs said that he intended to "pass the buck". It is not very satisfactory, and I feel sure that when the hon. Financial Secretary replies he will explain the differences which I suspect exists between the customs estimates and those he himself passed out. I would like to read from the speech of the hon. Financial Secretary when he introduced this motion. He said: "When I addressed

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this Council a year ago, I said that it was then expected that there would be a surplus of revenue over expenditure for 1945 of about £150,000. That proved to be a cautious estimate, and when the accounts for the year closed we had a surplus of about £218,000 which brought the Colony's general revenue balance up to within £100,000 of the two million. This year, 1946, the approved Estimates show a surplus of £53,000. Hon. members will note when they have an opportunity of reading the Memorandum on the Draft Estimates, that the revised estimate of the surplus is £200,000. This is considerably more favourable than was indicated in departmental returns, which, I feel, were unduly pessimistic".

Hon. members on this side of Council cannot help feeling pessimistic, as it is not always that a department has the pessimism of the hon. Financial Secretary. (Laughter.) It is quite correct to say, as was said in a recent debate on the Finance Bill in the House of Commons, that a good Chancellor has always got something up his sleeve for concessions. Well, since the hon. Financial Secretary introduced this motion he has had another £300,000 up his sleeve, and I trust, as I know he is no-exception to the rule of good Chancellors, that he will probably be ready to make concessions. (Laughter.) However, the point remains that the estimates year in and year out for revenue are pessimistic, and the hon. Financial Secretary will forgive us if from this side of Council we say that once again they are unduly pessimistic, and we should like to see them readjusted on just an ordinary optimistic basis.

The hon. Member for Mombasa urged that we should have the Economic Adviser to the Kenya Government in this Council with a seat on the opposite benches, of course. Well, I would like to support the hon. member and would like to emphasize once again the need for a Member of Commerce and Industry to be on the Government benches of this Council. Commerce and industry feel that in the counsels of Government their case can only be represented by someone who is directly responsible for the commercial and industrial policy, and I do not believe that that is anything in the nature of an exceedingly greedy

request. It is only fair that the case for commerce and industry should be presented continually in the Executive Council of this country: Unless there are any misunderstandings as to who we are asking for, who I am asking for, I will say straight out that I am thinking of the present Economic Adviser, Mr. Hope-Jones. I would say that no Government official has gained the confidence of the community with whom he deals more rapidly than has Mr. Hope-Jones, and I believe that the commercial community would welcome an act on the part of Government of taking him into the position of Member for Commerce and Industry at the earliest possible moment.

The hon. member Archdeacon Beecher raised the question of something on the style of British Restaurants being instituted, saying that meals in eating houses in Nairobi were too expensive. I would agree with him wholeheartedly that that is so. It is, of course, the African eating house keeper who is largely responsible for this because of the prices they ask for meals, and I would ask the hon. member if he has studied the position of Nairobi Municipal Council in this respect. For some considerable time we have been pressing for an African canteen to be established, and Nairobi Municipal Council has decided to establish a canteen in the centre of the town where Africans can get meals cheaply. It visualized an expenditure of some £3,000 on a temporary building which will have to be repaid over six years at 3 per cent, because I imagine that is the lowest rate which the hard hearted Financial Secretary will allow the Nairobi Municipal Council to borrow, even for this purpose. That means a total estimated expenditure for 1947 of £7,040. We have taken our estimate of income, and we hope to supply an average of 1,000 meals a day of quite good standard at 15 and 30 cents, bringing in some £4,694. In other words, we do not intend as a Council to make a profit, and the only object is to see that the African is provided with meals at reasonable prices.

I would like here to pay tribute to that much maligned body of employers, because, when we circulated them and asked them for their support, they expressed in no mean measure their willingness to give these meals in any cases as an addition to wages. That

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means, if you work it out even at 15 cents, that many an employer will have agreed voluntarily to lift the wage actually to their employees by quite a considerable percentage of their own free will.

But there is one disturbing factor in this, I as a Socialist and advocating Socialism under the circumstances under which we live, pressed that this should be a Council activity without profit. Every one of my colleagues supported me except the two African councillors. (Laughter.) The two African councillors pressed that this should be put into the hands of a private, profit making African enterprise! I am making this statement here, because I do not wish to see the African have to traverse the road of private enterprise to public utility services which we, as Europeans, have had to do in Great Britain, and the sooner they realize that there are many services which it is better from the point of view of the lower strata of people should be handled by the State the better progress they will make.

The hon. member Archdeacon Beecher also spoke about one class or group of Europeans in Kenya as opposed to the various social groups in Great Britain. I would like to record my dissent to that, because that is an inaccurate statement. The European population, mechanics, typists, shop assistants, managers, to rich men, from people from £25 a month to people with thousands of pounds a year, just as in other countries and just as in other communities.

He also referred under the head of labour to the question of housing, and if I took his remarks down right—and I think I did—he said employers should be given instructions to provide housing. I would ask the hon. member to imagine what that means. If you are going to provide a house with a moderate length of life as an investment, with a family standard of accommodation, because no one wants to go below that now, no decent employer, I know from experience that it is impossible to do it under the minimum of £100 per house for an African family, and that represents the minimum standard accommodation which a good industrial concern should provide. Just think of the liability on an employer who employs 100 or 1,000 Africans.

ARCHDEACON BEECHER: Encourage them, I said.

MR. VASEY: I took the exact words down. I think the hon. member said "give instructions". I was struck by the phrase, with all due respect. In the case of a firm employing 1,000 employees it means capital being tied up to the extent of £100,000. Suppose that you do not, as you should not, wish to make a profit. Suppose you charge it up to the absolute cost—the annual charge of that kind against a young industry in this country would practically put the industry out of existence.

We must face facts, and we must not in our endeavour to right the whole thing in one way kill what little industrial employment can be provided. I do not believe that there is an employer in this country to-day of good standing who is not anxious to provide the highest possible standard of accommodation, I said of good standing. But in any case in many instances they have not got the capital available to place down for this housing, and I am going to put forward the suggestion that I put forward unofficially some time ago; that is, that the Central Housing Fund should consider loans to firms on security and on condition that no profit is made from this investment and allow them to be paid over a long term. If you can do that, I believe you can cut away from under the feet of many employers one of their greatest difficulties and one of their greatest arguments.

One must remember to compare it with general British conditions and in general British conditions the employer has housing provided by private enterprise or by municipal or local government enterprise, and it is easy for the employer in a process of weekly payments to pay a fair and reasonable and economical contribution to that housing. It is not easy for the average business to lay down a great quantity of capital.

I should like to congratulate the hon. Labour Commissioner on a forceful and realistic speech. I should like to repeat what I said before, that I would support his policy, particularly with regard to improvement of conditions. I would repeat what I said in the previous debate in regard to cost of wages, that the Africans must realize that these are to a great

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extent an illusory basis of reward. In a recent House of Commons debate the Chancellor of the Exchequer, the Rt. Hon. Mr. Dalton, admitted that compared with the £ of 1930 the £ of 1946 is worth Sh. 9, and if the 355 million pounds which the British Government was to subsidize for maize is taken into account the City of London estimate of the value of the £ as compared with the £ in 1930 was Sh. 4. That shows that cash wages are a misleading basis, and I believe the Labour Commissioner is on the right path when he pressed forward the question of food and the question of general working conditions.

One thing I should like to note here is his point about five million pounds having gone into the native reserves. I think that in view of the conflicting statements which, with all due respect, come from members' opposite upon the richness or poverty of the African, that should be underlined and noted more in the nature of emphasis.

Now I would like to quote another figure. He said that as far as he could estimate the African population of this country had increased from 2½ million to five million in the last twenty years. I spent last night doing a little arithmetic, and as far as I can see, if you average it out, it works out at 125,000 increase a year. If you get 125,000 increase a year, I feel that a certain proportion of these must be men. I feel that is a fair assumption. And if you get 125,000 people and get a certain proportion of men in that increase, why is the poll tax static? What has happened to the increase in population? Has it disappeared, or is it that it does not pay tax? (Laughter.)

The hon. Member for Western Area made what I think has been the only racial speech, and I say that adversely—the only racial speech of this debate. He did, if I may say so, show great ability to produce figures and little ability to understand them. (Laughter.) He started talking about the capital assets of companies, and then began to go on and quote as if they were income. I have here a little book published by Nelsons, which is called *Direct Economics*—it is if I may say so, economics for the young, with the hon. member's permission I will give him a copy free of charge, and that

is as far as I intend to deal with that particular racial aspect of his speech.

He was worried about subsidies on the 19th July, in the House of Commons; the Chancellor, the Rt. Hon. Mr. Dalton, said that the 355 million pound food subsidies in Britain estimated in the 1946 budget had been increased by sixteen millions, because the food subsidy had been recognized by the Labour Government as one of the important ways of stemming inflation and keeping down the cost of living. I would rather see increased subsidies to farmers than see what is going to happen as the result of maize that is, repercussions throughout the entire economy of the country, because when you increase the price of food to the worker you begin the spiral of inflation of wages and prices. It is obvious that the farming community should not be asked to subsidize, as they are, I think, being asked to some extent, the general economy of the country, but I believe there will be a quite reasonable method of doing it to accept a subsidy, so that you do not start the spiral of wages and the cost of living rising. The hon. Member for Western Area, who I regret to see is not here, spoke about the maize price of Sh. 17/50. What actually does the farmer ask for? The farmer presumably asks for the same as anybody else: for a fair percentage of profit on cost and, unless I am wrong, the commercial community which I represent and which I think the hon. Member for Western Area represents to some extent, continue to press the price control for an increase in the percentage of profit on cost. If you can prove that the cost is X, then, under the laws of economics under which we live, you are entitled to the price, which is X plus a fair percentage, and I imagine that had the farmer asked for more than that there would have been a firmer and more definite "no" than there has been.

I should like to support the hon. Director of Medical Services in his reply about the training of midwives in Nairobi, not because I am pressing Nairobi's case, but because there is one thing that emerges time and again in the debates of this Council, and that is the limited training resources which are available in any social service or department, and those resources, particularly in

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such things as the training of midwives, are so limited that I believe it is correct when he says it would be disastrous were they to be spread. It would merely result in inefficient tuition.

I should like to make my first reference to the Development Report and to say that I accept it in principle, though there are details in it about which I am unhappy, and one of the things about which I am unhappy is the question of health as it affects local government. In England we passed through a period of centralization to a period of decentralization, where local effort was the inspiration to achievement, and now we have passed through that and, as is evidenced by recent social legislation, we are passing to a period of regional centralization. I discussed the Development Report with our own Medical Officer of Health, who has, I think, a fair experience of this, and he drew up the following comments. I will not read them all, but I will read part of them, and these are his words—

“As I see it, the following alternative results might be anticipated:—(1) Implementation of the development proposals in toto. The financial effect of this might be to relieve the Municipality of the whole financial responsibility for the personal services—at an extremely rough estimate £50,000 per annum (of which £21,000 is, of course, at present paid by Government). (2) The taking over by Government of the personal services, etc., at present administered by the Municipality and their redelegation to Municipality much on the present financial basis. This would not be very satisfactory, since the present fixed block grant of £21,000 is inadequate and will be more so in future. (3) Redelegation by Government to Municipality of the personal services, etc., with complete Government financial responsibility. This is a better proposition.

Both the alternatives (2) and (3) have one prime disadvantage which will undoubtedly have financial repercussions, in that the basic policy of the Health Services will be dictated by the Commissioner for Local Government. This will mean in the case of alternative (2) that Government will be in a position to dictate scope and expenditure on Health Services without Municipality having much say. Alternative (3) will mean that

Government can still exert dictatorship, but they will pay the bill.

Whichever way things go, the development proposals will raise profound staff problems, since staff will be in the position of being Government servants with out actually being employed by Government. If the development plan is to come to fruition it would be infinitely preferable for the direct administrative channel to be through the Director of Medical Services to Municipality Public Health Services.”

That is a note by the Medical Officer of Health, who has studied the question with great care and he has written a fairly long memorandum on it. I trust that it will receive consideration by this Government.

I must refer to the attack on the Development Report by both hon. members for African Interests. It was referred to as a yellow peril. I may be a little colour blind, so I made perfectly certain of my facts by consulting some of my lady friends as to the colour. I am credibly informed by my lady friends that this piece of paper which I hold, which is the label of the Standing Finance Committee, of which the hon. member Archdeacon Beecher is a member, is yellow (laughter)—and if there is a yellow peril it is probably the Standing Finance Committee (Laughter). Even that may, I suggest, be regarded as a yellow peril from two points of view: from the jaundiced eye of the man who has had his pet request refused, or from the jaundiced eye of the taxpayer who has to pay for the requests that are accepted. On reliable information, I am told that this (Development Report) is orange, and I would suggest that if we must give it a name we call it the Orange Hope or, since illiteration is in fashion in this Council, we drop the “h” and call it the Orange Ope! (Laughter).

What I deplore about the united attack of the members representing African interests was their attack on what they called the inhumanity of it. We criticize from time to time—that is our job on, this side of Council, that is what we are here for. Nobody believes for one moment that the men who were behind this, who gave their work and time to it, had anything other than the highest possible motives. They had to

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understand, and I suggest that, if we are not very careful, we are going to reach the position illustrated in the American story of an attorney who went from New York to California to deal with an important case, promising to give his partner the moment the decision was announced. At long last the wire came and it read “Justice has triumphed”, whereupon the partner in New York wired back “Appeal at once!” (Laughter.) It would be deplorable if the impression should get around that such a situation is beginning to arise in our courts.

Several people have dealt with the question of African leaders and their appeal to the African worker. I should like here to put on record what the hon. member Mr. Mathu said on the 10th October in a lecture at Pumwani. Mr. Mathu thought that the African labourer was not so proficient as the English one for the following reasons:—“The African had a kinder climate and did not have to struggle so hard to produce his crops; The Englishman had reached a higher standard of living through education and therefore was always struggling to maintain or improve it. They could only do this by great efforts. The African tended to be more satisfied with his old conditions of living”. I will not comment except to say I hope many African leaders will follow Mr. Mathu's example in that respect.

The hon. member Mr. Mathu quoted crime as a sociological problem. That can be agreed, but all sociological problems take a long time to solve and, although it is a long term theory, I think it must be accompanied by short term suppression.

The hon. Member for Eastern Area said that we should not divide the taxpayers into races; that we should divide them into classes: wealthy Europeans, poor Europeans; I presume wealthy Indians, poor Indians; wealthy Africans, poor Africans. Well, after all, that is really all that the European elected members of this Council have asked for, that they should be divided into classes and that each should pay according to the surplus that is left when his needs are supplied. That, surely, is a fundamental rule? The income tax law of Great Britain may not be always applicable to other countries. In this country

[Mr. Vasey] We know that when we put forward this and that, they have to say “no”, because planning means that somebody has to decide what are the essentials which must be carried through and what are the luxuries which must be gone without, and I venture to say that if we had been in their place, with all the idealism in the world we could not have produced a much better result, however good or great our intentions, if we could have produced one as good. I think that to lead the African population of this country to believe that anything in the nature of inhumanity is present in that report or is an inherent part of that report is to do the African people a great disservice. (Hear, hear.) The hon. member Mr. Mathu gave the impression, from a series of “No—No—No” on taxation up to an increase of resistance upon the African. I am sure he did not mean that. I am sure that if means are found whereby the wealthy African can be made to play his part, he would agree that this should be done, and I am perfectly sure that the impression he gave was not really the impression he intended to convey. (Mr. MATHU: I intended.) He did; then I am sorry.

He referred to the administration of justice. He said, with a somewhat veiled threat in his voice, that the Africans were studying the cases in this country as they appeared in the Press. Well, so is every community. The hon. Member for Nyanza referred to a recent case which was dismissed, as far as I can see, on a technical ground in regard to entry. To the layman it seems a remarkable thing that the man should go through a window in a locked house and not be guilty of breaking in, or that he should be present in a house in the circumstances that were detailed and that you should not be able to judge what his intent was. The impression that that case has given is a very disturbing one and, though my hon. friend the Attorney General will have an answer, it is the psychological effect of a decision of that kind which must be considered. Once again we come to the fact—and I do not propose to deal with the Pollis—that there is dissatisfaction with the presentation of cases. It is creating many instances that the layman is unable to



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we have a mixed population with very different standards of living. I have here the Income Tax Manual of the Government of India, and I should like to quote from paragraph 7, which deals with taxation of a Hindu undivided family: "A Hindu undivided family is treated as a separate entity for income tax purposes. It is taxed like an individual at a graded scale according to its total income and no account is taken of how it is distributed amongst the individual members when such individual members are assessed to income tax or super tax in respect of their separate income". That may not be a just law; it may be a just law, that I do not know, but what I wish to underline is that inside a homogeneous population like India they have found it necessary to differentiate between the groups of people. I will quote again from the same paragraph, subsection (5), which says: "Khojas (and Cutchi Memons), not being Hindus, joint families composed of such persons are not Hindu undivided families for the purposes of the Act".

I am not suggesting that Hindu undivided families should be brought in on that basis in this country, but I am suggesting that a study of the Indian Income Tax Manual proves that, in order to make income tax as income tax a fair matter as applied to a community where Indians exist, you must have varying rates on a varying basis. (Hear, hear.) What the European is asking for is that there shall be a review of the position, in view of the experience that we have had of income tax in the past few years, and that we should have placed before the country the basis on which a fair distribution of the incidence of taxation can be made. If, when that basis is placed before us, it is shown that the Europeans are not paying their fair share, then I am prepared to say that the European will pay more, if necessary, if they can be satisfied that Government is not merely taking the easy way, because the other way is more difficult and beset with thorns, political and economic. (Applause.)

The hon. member Mr. Patel said to us: "Gentlemen, you have made more, you will have to pay more". I will say to the hon. member Mr. Patel and his community: "Gentlemen, we agree; and

we say to you 'Gentlemen, you have made more, you will have to pay more'. The sweet voice of the hon. member Mr. Patel during the discussion on revenue was the sweet and cooling voice of Dr. Jekyll—classes not races, not enough from the European. But when he came to expenditure, then we heard the croaking voice of Mr. Hyde—then it was too much for the European and not enough for the Indian. (Laughter.) Practically all his emphasis when he came to expenditure was to the effect that there was not enough expenditure for Indians and, occasionally as an afterthought, he mentioned the African. If we are to have racial co-operation—and I am among those who, like Your Excellency, hope that it will be seen in this colony—it will not be based on hypocrisy. It will only apply when we can speak sincerely and when we can look at things from the other man's point of view and study the other man's needs.

I consider that the most deplorable blot on the record of the Indian community in this Colony has been its past failure to make any contribution to African progress and its continual harping on schemes for Asian expenditure only. It has altered in some degree during the past year or two years. It has altered, I believe in some cases sincerely, and in some cases, bluntly, from political motives. I believe that the efforts of a man for whom I have great admiration, Pandit Kunzru, did awaken sincerely among certain members of the Indian community the consciousness of their failure in the past, but, alas, in some cases I believe that it is still a political manoeuvre coincident with African political growth, and that can be seen if one reads such papers as the Indian-owned "Habari", written in the Swahili vernacular.

I will quote from the Information Office handout a translation of one of the articles, and I may say this is not an isolated instance: "Mr. W. W. Owari, writing from England, in *Habari*, deprecates the arrest of Mr. Gathigira, and states that he was ill-treated by the military police. He says that if Africans knew the future plans for East Africa they would be weeping terribly. Says he cannot tell them all he has learnt in England, because much is secret, but says that Kenya is to be the testing

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ground for atom bombs and that despite the food shortage troops from India, Canada and Egypt are to be stationed in Kenya".

I would like to call the attention of the hon. Attorney General to two or three statements in that article. I would like to point out that anybody who believes that by publishing rubbish of that kind they can lead the African into co-operation with them is working on the wrong ground. They may lead a few hot-headed leaders but, I say this to the European community as well as the Indian community, you cannot fool the African for long. The only test, the only thing that will gain you his friendship is sincerity, and that is all that will gain it. He may disagree, he may not like your arguments or your actions, but I believe that if you are sincere in the long run he will judge you by your methods, but only if you are sincere. Racial co-operation cannot be forced by laws and rules, it can only be brought about by gradual growth, by sincerity and by encouraging the ability in each community to meet these advancing needs.

The hon. Acting Commissioner of Customs dealt with the question of surcharges and indirect taxation. I think he must have misunderstood to some degree the hon. Member for Nairobi South, because my hon. friend was dealing with indirect taxation as a whole and not merely surcharges. But he quoted the case of grey flannel shorts costing Sh. 30 and only 45 cents was the surcharge; khaki drill shorts costing Sh. 10/08, and only 5 cents was the surcharge; groceries, household requisites where the surcharge was 2 per cent down to 1 per cent in retail. I cannot believe that the Acting Commissioner of Customs is so ignorant of ordinary commercial practice. Surely everyone knows what happens in business. When you purchase an article you lay out capital for that article, and the commercial man claims a profit on the capital he has laid out. If a thing costs 80 cents, the Price Control allows 25 per cent on the first invoice and it then costs Sh. 1. There is allowed 10 per cent on the second invoice and it then costs Sh. 1/10; it is allowed 10 per cent on the third invoice and it costs Sh. 1/21, and if allowed

33 1/3 or 50 per cent on the retail it has reached a figure of Sh. 1/80. What happens? If you take the case where you pay 80 cents plus 25 per cent surcharge, it now becomes Sh. 1 and the same rate of profit is charged, 25 per cent which you are allowed by the Price Controller, and you have, after all, laid the money out, so that at the first stage it is Sh. 1/34; 10 per cent makes it Sh. 1/44, another 10 per cent makes it Sh. 1/50, and the final 50 per cent brings it up to Sh. 1/50 plus 50 per cent. What is the final cost of the article and what has happened to the surcharge, and what is the proportion of the surcharge in the cost of living figure. Unwittingly or wittingly, the hon. Acting Commissioner of Customs has given an erroneous picture of the effect of surcharges on customs duties and indirect taxation.

The hon. Member for Usain Gishu spoke about Controls. I would like to support him very much. There are many Controls, such as Price Control, which I consider necessary, but I believe the time has come when Government should take into account the psychological factor and get rid of price control on things which cannot be regarded as absolutely essential. (Hear, hear.) It is the unyielding attitude towards price control, the disinclination to give even a little, that is causing concern to the commercial community, the great majority of whom are willing and anxious to keep price control on. I would ask the Standing Finance Committee to inquire carefully into the expenditure on staff, etc., and balance it against efficiency, because if a Control is not efficient do not let us delude ourselves on paper reports—let us get rid of them. And I believe one of the Controls that should be looked into from that point of view is the Commodity Distribution Board, and I speak from having worked inside as a member of the Central Commodity Distribution Board for some time. If it is efficient all right; if it is better to accept the English system of coupons where none is valid except in the book and are taken from the book by the retailer, accept it; but if we continue the farcical position where coupons can be forged apart from the books and sold, do not let us waste the country's money and delude ourselves into believing that this is correct. (Hear, hear.)



[Mr. Vasey]

I would draw the attention of Council to a story told by an American business man who had discharged one of his employees. When he was asked why, he said: "Oh, he was a molehill man." They said: "Molehill man?" and he said: "Yes. Every morning this fellow arrives at his office and finds a molehill on his desk, but he has made a mountain of it before 4.30 comes round". I am not sure that is not the attitude in some Controls to-day.

The hon. Member for Nyanza dealt with Administration growth and responsibilities. Recently I have had the privilege of going round the country with various select and other committees, and I found many sincere young officers worried at the small amount of money which is reaching the field and at the delay in accepting various recommendations. I talked to one man in the Soil Conservation Service when I was at Kisumu, and asked him—it took a lot of dragging out—what was the organization that dealt with his requests. I could hardly believe it, and I am sure the hon. Chief Secretary will be able to deny it, but he said the position was this: that if want to a district team, it passed to the African Settlement Board, then to the Central Settlement Board, then to the Member for Agriculture, then it passed to D.A.R.A., and at long last reached the stormy haven of the Standing Finance Committee—then it began its journey all the way back again. (Laughter.) If that is so, I do not wonder there is delay. I can only say that if any business was run on those lines it would not be long before it was bankrupt.

I would at this point quote the Rt. Hon. Colonel Oliver Stanley, who, on the 9th July of this year, in the debate on the Colonial Empire, said: "Then there is the great danger of erecting a constitutional administrative machine, which bears no relation to the standards of social or economic developments which have to sustain it." That is from someone who was among our finest Colonial Secretaries, someone who has seen it from the inside, and as someone who looks at it only from the outside I feel that there are words of wisdom and experience behind them.

The hon. Director of Public Works—Here I would like to make the point that Government members have a full organization behind them, an organization which can produce facts, as it were, like rabbits out of a hat. The unofficial members have not. Government in this debate usually has the last word, if not the last five words. It is easy to score a debating point. But let Government be under no misapprehension. A debating point in this Council does not brush away the dissatisfaction that exists on this side. The public impression is that the Public Works Department building costs are high, and I consider that the time has arrived when actual facts and figures should be given to reassure the people. Let the Public Works Department tender for buildings against private contractors, let the tenders be published, and let us see what is the position. It may be that a great deal of criticism is unjust. I do not know, I am not on the inside of the Public Works Department, but it is a typical example, I believe, of Government's inability to recognize the psychological factor in dealing with dissatisfaction.

I would suggest that reconsideration be given to the point which I think the hon. member Archdeacon Beecher has put forward many times, that specifications for buildings in rural areas with a view to a shorter life might be undertaken. D.A.R.A. has got a very heavy burden, and while I believe that in townships we have reached a standard already where Government must set an example, I also believe that in the rural areas the standard could be lowered in order to cheapen the cost and strengthen the amount of work done.

One or two general points before I move to principles.

Estate Duty. As I understand the suggestion before Council, an estate of £1,000 or under will be relieved of estate duty; an estate of £1,001 will have to pay upon the whole and not upon the £1. If that is correct, I suggest that it is not a good basis, and I suggest that the principle that should be applied should be that the first £1,000 of any estate should be free of estate duty.

I am, sir, chairman of the East African Co-operative Trading Society, and I

[Mr. Vasey]

believe the co-operative movement is something which is essential to every community in this country. I am delighted to see that there is a Coan Co-operative Society, I am delighted to see that the Muslims have a co-operative society, and I hope that with the development among all communities of the co-operative movement we shall find it possible to have a Convention of Co-operative Societies so that one can assist the other. I am disturbed by the fact, and I would like it on record, that so far as I can see Government's attitude towards my society, the Co-operative Society of East Africa, has not been very sympathetic. We have a general trading licence at our head office in Nairobi, we have a branch in Mombasa, but we have been refused on several occasions a general trading licence for our Mombasa branch by the Coast Province Trade Licensing Committee—

HIS EXCELLENCY: I think I must draw the hon. member's attention to Rule 43 (ii). Have you a copy?

MR. VASEY: Yes, sir. I have no pecuniary interest. I am a purely voluntary official.

I feel candidly that the licence for the Co-operative Society has been blocked by big business. I have made representations unofficially from time to time, but, alas, so far with no help.

On the question of European education as it appears in the Draft Estimates, I would ask that there should be early consideration given to the salaries of primary school teachers in this country. The European primary schools are the keystone of European education. I have pressed for better salaries for African teachers and for Indian teachers in my time, and now I turn to European teachers. I am a member of a primary school committee, and it is most disturbing to see that we are losing the best of our primary school teachers from time to time because the provisions of their scales are wrong. We have had the acting principal of Kilimani School just recently out from England resigning because she can get a private school near the can in Government service, and now the principal of Parklands primary

school is leaving European primary education to move into Indian education because there the scales of salaries are better and she has more chance of advancement.

Secondary schools are important, but primary schools are the keystone of education, and therefore in the early stages you should have the highest possible level of education. I am not giving a personal point of view alone. The hon. member Archdeacon Beecher will agree with what I am saying. It is the unanimous view of the Primary Schools Committee, which is disturbed by the situation that is arising. We will be told that there is a Commission sitting to consider Civil Service salaries. This need is more urgent, it cannot await the findings of that commission, it must be taken in hand or we shall see European primary education suffer severely.

In his Estimates speech the hon. Financial Secretary said dealing with training: "This demobilization and training is estimated to cost not far short of £200,000. At present discussions regarding the incidence of this expenditure are taking place, and I hope that in the event we will get some assistance from His Majesty's Government towards demobilization expenditure, but no provision for such assistance has been taken into account in framing these Estimates". I am glad to acknowledge once again another hidden reserve!

African education. In my speech last year I made my position perfectly clear on African education. I agree with the Frenchman who said: "After bread, education is the first need of the people", and it is so and I, like the hon. members representing African Interests, am worried about African education. African education is a long term investment of such magnitude that we in our generation cannot bear the entire cost. Let me quote, if I may, two speeches on opposite sides of the British House of Commons. The Rt. Hon. Mr. George Hall, Colonial Secretary, on the 9th July, said: "Political development is governed by social and economic progress. It is difficult to create a democracy out of a hungry and illiterate people, and too many of the inhabitants of our Colonies have, in the past, been hungry and uneducated. The

[Mr. Vasey] committee will want to know what is being done, and what we plan to do, to raise the general standard of life for those people. First, education. I have been most anxious to encourage and assist an advance along the whole educational front in all the Colonies. It is pleasing to note that in the ten-year programmes of development now being submitted, education occupies an important place. Great stress is laid on every phase, whether it be primary or secondary technical or adult mass education or higher education. Every part is considered important to every other part as a basis of social and economic progress".

Let us take the other side of the House, the Rt. Hon. Col. Stanley, in the same debate. "In my experience in this field of education in the Colonies, the best is always the enemy of the good. If we are to try to give these people elementary education in the exact form, through the exact machine, and with the exact standards that we have for our people in this country, there will be so much delay that millions of people will pass through the educational machine without getting anything at all. I would far rather that they got something than got nothing, while a few got something so much better".

Recognising as the British Government does the importance of African education, I wonder whether some approach should not be made for a special loan to cover the cost of African education, including the greater portion of the recurrent cost. That, I believe, would allow for expansion. It ought to be able, in view of the anxiety of the British Government and their recognition of the fact that the development of education is the first thing in the development of the manpower resources of the country, to come to some arrangement on a special basis. I do not suggest a gift, but I suggest a long term loan at low interest for the purposes of African education, and I would suggest, perhaps, that special arrangements might be made to meet the hon. Financial Secretary, and not regard it as part of the public debt of the colony.

#### Now for principles.

I would like to support the hon. Member for Nairobi South in his inability to accept the budget as it stands. Your Excellency in a recent speech referred somewhat humorously to myself in my capacity of chairman of the Finance Committee of Nairobi Municipal Council and my need to show agility on this occasion. I trust that when I have finished you will be convinced there was no need for agility, but that all I had to do was to stick to fundamental principles which I will outline, and if only you can persuade the hon. Financial Secretary to accept that I feel certain, that all hon. members on this side will be satisfied, or more satisfied:

What was the first principle I stated?

"There is the fundamental truth that, as is the case in every period of war and post war, we have passed through a social revolution and that the standard of 1939 can never be accepted again. That has got to be faced. We must face it as a Council and we must face what it implies financially". There is no hon. member among my colleagues who has suggested a return to the standards of 1939. In fact, I think that if Government were to suggest it, it would find even stronger opposition on this side than to their present budget proposals. I said that things must be gone without or taken stage by stage, a principle to which I am sure the hon. Chief Secretary, if not the hon. Financial Secretary, agrees wholeheartedly. I stressed the need for an investigation before a revenue policy can be laid down. That is what we are asking for. I stressed the need for a spread of the burden, because at present the burden in Nairobi is directly borne by European and Asian ratepayers as direct ratepayers. Above all, I urged the use of the 1945 surplus to keep down the 1947 rate. If the hon. Financial Secretary would accept that fundamental principle that the 1945 surplus should be used to keep down the 1947 rate hon. members will go back to their constituents much happier. (Mr. COOKE: Not I.) The hon. member has no need to return to his constituency. (Laughter.)

What the majority of European members on this side want is this. We

[Mr. Vasey] cannot accept the statement that this budget should lay down a policy for next year or for successive years. We believe the position is too nebulous and has not yet shown itself along definite lines. We want, therefore, an economic survey. Why? Because we are not satisfied that the present taxation structure is the best for a colony of this type. I think I am right, if my memory serves me right, that in last year's budget speech the hon. Member for Nairobi South asked that the taxpayers should be associated with Sir Wilfrid Woods' investigations. We have not seen the evidence, we have not seen the record, but I am perfectly sure they must have done. But that was not, I think, what the hon. Member for Nairobi South urged. I think he was urging that they should be associated because, however fine the economic expert who came to this country, however many figures you placed before him, I suggest the final interpretation must rest upon a certain amount of local knowledge. I would have felt perfectly happy had I seen the hon. General Manager of the Railway with his economic experience sitting in the chair of a committee which was carrying out an economic survey, because I know he would be fair, he would be just, and he would be able to interpret the figures that were laid before him. Thirdly, we have asked for a reduction of Sh. 1 in the £ in income tax and £100,000 in indirect taxation. One or two arguments I shall quote now are, I think, reasons again why we should have an economic survey. After all, to the hon. Financial Secretary's opening speech on this motion, he did say that "the Government appreciates that a reduction in the basic rate of income tax requires serious consideration". I think that is quite right, I applied it and suggest that when this goes to the Standing Finance Committee that committee again gives it serious consideration.

Indirect taxation, and I quote from that simple little book "Direct Economics": "Indirect taxes are payments made by those who consume certain taxed goods and visit certain taxed entertainments. . . . The tax has the effect of raising the price of the imported article, so that the consumer usually

pays it in full". That is correct. I, personally, am uncertain as to how far indirect taxation is playing a part in the Labour Commissioner quoted when he gave instances of the terrific increase in the price of goods which the African needs, because there are certain members of all communities whom only indirect taxation can assist, and I suggest that the claim for £100,000 reduction in indirect taxation is not an unreasonable one in view of the arguments which I have adduced earlier in this speech.

I should like at this point to deal with one or two ordinary family budgets. Someone accused the Development Committee of only mixing with a certain group of people. I feel that that accusation could be levelled against the hon. member Mr. Patel, because he apparently only mixes with wealthy Indians. Let me give you the case of a girl who works in an office—in my own office in this case—whose salary is £360 a year. She pays in income tax Sh. 525, she pays in personal tax Sh. 80, she pays in land tax (she is building her own house and paying through the Building Society) Sh. 74.46 Government, Sh. 66 to the Municipal Council, fire insurance Sh. 27/75, Sh. 20 for a post box (because, of course, you do not get your letters delivered), various licences Sh. 55/50. I am not going all through the expenses, but they are all here should the hon. Financial Secretary wish to inspect them. The net result is that, apart from the monthly spread of these taxes I have quoted, she spends Sh. 421 a month in living, of which Sh. 5 is for entertainment and nothing is allowed for clothes. Clothes have to come in from time to time at the sacrifice of other things. She pays Sh. 50 a month to the Building Society as an instalment on the loan. That is a saving, but when that woman is too old to be employed that is the only thing that she will have to support her, unless she comes to Government for charity. I am not dealing with a hypothetical case. I am dealing with the case of a woman who may quite easily face a lone old age. That woman pays Sh. 525 in income tax and Sh. 80 in personal tax, and I ask the hon. member Mr. Mathu how does that compare with the case of the African

[Mr. Vasey] chief I talked about, in Kisumu who has 2,000 head of cattle, far more wealth than this woman can ever hope to possess, and pays nothing? Is it to be wondered that there is a feeling of injustice among the lower-paid European people?

I have other budgets here. A husband, wife and two children, aged seven and eleven, the man getting £600 a year—£50 a month plus cost of living and house allowance, less his contribution to widows' and orphans' pension scheme. In England that would be an adequate salary, but what is the position here? That man—and again the budget is open for inspection—actually spends Sh. 35 a month on entertainment, which includes hair-dressing, newspapers, pocket expenses and an occasional visit to the cinema. There is nothing in this which is exorbitant expenditure, but the position arises that to make his cash budget balance he has to go without certain things in the way of entertaining. In the way of friendship that it is not right in these enlightened days that a man used to living at an advanced standard should go without.

The third budget is for a husband, wife and three children. The gross salary per annum is £600 with bus bonus £147, with deductions for widows' and orphans' and holiday fund £60. This man pays Sh. 490 in income tax. He pays car licence, because he has to live five miles nearly from the centre of the town where there is no bus service. He has to pay personal tax in addition of Sh. 60. His total household expenditure per month, without drinks or cigarettes, is Sh. 650. It costs him to send the two boys to the Prince of Wales School, and the girl to another school—quite apart from bus fares and cutting down to the minimum of dress for these children—£82/10 a year. It costs him £36 a year to run his car, and he has allowed himself and his wife the magnificent sum of £24 per annum for clothing and Sh. 240 for household linen and things of that kind. The balance which is left to cover contingencies is Sh. 74 a month.

I suggest that when you get as near to the margin as that you begin to worry, and it is comparatively easy for people whose income is in the higher

groups to brush income tax aside and say there is no hardship, but when you get as near the margin as that then that is where the hardship begins. I would suggest that some measure of relief should be given to those people. One measure of relief which is possible is that which has been suggested I think by the hon. Commissioner of Inland Revenue on education allowances, and I hope when he replies to this debate he will outline to us his ideas upon education allowances. I know it will be a difficult one, but I hope he will find it possible to outline his proposals. He might be able to do it, by grouping schools in various scheduled classes. I would suggest, too, that personal tax should be allowed as a deduction from income tax, because that I believe would be one of the ways in which the lower-paid group could be assisted. If they can get enough temporary relief from the strain, then I think they would be very well satisfied. After all, the money does not pass entirely out of circulation; it will not be entirely lost.

Let us see what a socialist Chancellor of the Exchequer, Mr. Dalton, has to say about relief from taxation. Having dealt with the small cuts in purchase tax and indirect taxation, Mr. Dalton, Socialist Chancellor of the Exchequer, came back to the vitally important question of incentive, and he said on the 19th July: "I have come down heavily in favour of income tax reduction as compared with playing about with the duties on commodities. I have a bit on commodities, as I have already indicated, but I am quite sure"—I listen to the hon. Financial Secretary will trust to these words—"I am quite sure, that what most people need, and what gives the greatest stimulus to incentive, so far as incentive is dulled and blunted and depressed by taxation, is to pay less income tax. That is what they want, less income tax. That is much more important than cutting the price of—whatever you like. It is much more of an incentive to have to pay out less money to the State, to have income tax reduced, than to get a comparable relief in a form in which one is hardly aware of it, namely, adjustments of prices". I am not saying that I entirely agree with the right hon. gentleman, I am merely

[Mr. Vasey] quoting him as an example which we might well follow.

Now, drawing near to the close, I should like to say this. We on this side of Council are, after all, the great majority of us, the elected representatives of the people. Your Excellency in that speech made reference to the fact that only 15 per cent of the electorate had attended meetings convened by the Electors' Union. I do not know about the Electors' Union meetings in other parts of the country. I only know that my own meeting was not a meeting called under the Nairobi Electors' Union. It was a meeting called by myself, and at that meeting this hall was packed and people were standing all round the room. At that meeting they had before them a resolution which suggested that the expenditure of the country should be carried on purely on indirect taxation and the hidden reserve of tax which they claim the hon. Commissioner of Inland Revenue and the hon. Financial Secretary always keep up their sleeve. When I spoke to these people—they were very reasonable people—they rejected that, and went on merely to press that they should be given an assurance that this will be framed as an interim budget and that the whole framework of taxation should be subject to review.

I know that once again the old war-horse will be trotted out that we are always asking for expenditure, and that when it comes to budget time we always ask for a reduction in taxation. It is an old one. Of course we are always pressing for expenditure. We are the elected representatives of the people. We are permanently in opposition. We stand as people who cannot take over the reins of Government, we have behind us a people who have been trained in the British idea of democracy and who are continually champing at the bit, because they know that we have nothing in our hands except persuasive power. When we press for expenditure we most of us, I think, and all of us, I believe, recognise that it is going through the sieve of the Standing Finance Committee. Government stands on that side, under the colonial system immovable and fixed. Perhaps it is better that it should

be so, at the present moment, but what it does show, if I may say so, is a temptation to underestimate the feeling of the public and the strength of public opinion.

Hon. members opposite speak of the European community as if it were one block—one group of people. We are not, any more than the Indians are. The Indians have Muslims, they have Hindus, they have the Sikhs. We on our side, even in this small gathering which we have here, have Conservatives—men of conservative political thought like, shall we say, the hon. Member for Aberdeenshire, who has men of liberal thought like, if he will forgive me, the hon. Member for Ukamba. We have Socialists like myself—all of us trying to adjust our political faith to achieve the best under conditions like these. And we have independents, like the hon. Member for the Coast, who do not seem to have any particular line of political thought at all. (Laughter.) Outside this Council we have even communists in this country. All strata of British thought and opinion are present in this colony, and they are not saying "no" to taxation that is necessary. They do not wish to evade their just responsibility. They are resentful because they believe they are being treated unjustly in this matter of the incidence of taxation, and that Government is complacent and making no effort to remedy that injustice. A great statesman, Pitt the Elder, said in the British Parliament, when he was defending the case of America, America resentful to such an extent over unfair taxation that she fought and left the British circle, Pitt said this: "It is not by repealing a piece of parchment that you will restore America, you must repeal her fears and resentments". So co-operation between Government and all communities is essential. The co-operation of the African community is essential; I would say that the co-operation of the Indian community is important; and I would add that the co-operation of the European community is vital to the speed of the development of the colony. Many comparisons are made between Great Britain and this Colony, many of them erroneous, but one comparison is safe. The British people of this colony are the same as the people in Great

[Mr. Vasey] Britain. They have the same blood and temper; they can face any task and shoulder any burden, however great, that can be set before them, but, like their kinsfolk in Great Britain, they will not suffer too long under an injustice, real or supposed. Give them the breathing space we have asked for, bring before them the facts which will prove whether taxation is fairly distributed or not, prove to them, if you can, that no injustice exists in the incidence of taxation, and, if it does, try to put it right and then you will have with you—and the African and Indian communities will have with them—a community prepared to go to any length of effort for the progress of this Colony. Brush them aside with skilful words and debating points and you will in my humble opinion, have lost the chance of gaining their full co-operation and assistance in the many difficult tasks that lie before you, sir, before the Government and before the colony as a whole. (Applause.)

The debate was adjourned.

**SUPPLEMENTARY  
APPROPRIATION BILL (1945)**

**FIRST READING**

On the motion of Mr. Foster Sutton the Supplementary Appropriation Bill (1945) was read a first time and notice given to move the subsequent readings at a later stage of the session.

**ADJOURNMENT**

Council adjourned till 9.30 a.m. on Thursday, 5th December, 1946

**Thursday, 5th December, 1946**

Council assembled in the Memorial Hall, Nairobi, at 9.30 a.m. on Thursday, 5th December, 1946. His Excellency the Governor, Sir P. E. Mitchell, K.C.M.G., M.C. presiding.

His Excellency opened the Council with prayer.

**MINUTES**

The minutes of the meeting of 4th December, 1946, were confirmed.

**ORAL ANSWERS TO QUESTIONS  
No. 86—VETERINARY OFFICERS' SALARY  
SCALES**

Mrs. WATKINS:

1. With reference to the answers given by the hon. Financial Secretary on 12th November, 1946, to my questions concerning the salary scales of Veterinary Officers and Veterinary Research Officers, is it not a fact that the previous maximum of £840 referred to by him, was applicable only to officers on a pension constant of 1/480, and is it not a fact that when the maximum was extended to £1,000 the pension constant was changed to 1/600?

2. Will Government please explain why, when the long scale with its maximum of £1,000 and pension constant of 1/600 was introduced for various classes of professional officers, Veterinary Officers and Veterinary Research Officers were the only ones required to wait for five years at £840, and will the hon. Financial Secretary explain why he considers this five years wait at £840 to be a concession and on what grounds he considers the Veterinary Department enjoys it?

3. Is the Government aware that the hon. Financial Secretary's answer to my questions of 29th October were misleading in that when quoting the increased maximum of £1,000 no mention was made of the alteration in pension constant nor of the longer total period of service required, nor was it made clear that the long scale was introduced and made applicable to various posts in the Civil Service not merely to the Veterinary Department, but that the Veterinary Department alone was burdened with a five-years wait at £840?

Mr. TROUGHTON: 1. The answers to both parts of the first question are in the negative. The reduced pension constant of 1/600th was introduced with effect from 1934, whereas the modification of the scale applicable to Veterinary Officers and Veterinary Research Officers was not effected until 1940.

2. The statement in the preamble to the first part of this question is incorrect. Apart from the points mentioned specifically in my reply to Question No. 73, no salary scales of professional officers on the 1/600th pension constant proceeded to a maximum in excess of £840 per annum without promotion to a senior post, but the £840 maximum applied to many, for example, Entomologist, Plant Pathologist, Agricultural Officer, Soil Chemist in the Agricultural Department, Biochemist and Entomologist in the Medical Department, Assistant and Senior Assistant Engineers in the Public Works Department and professional officers in the Mining, Geological and Forests Departments. The extension to the scale applicable to Veterinary Officers and Veterinary Research Officers was introduced in 1940 in the Veterinary Department at the instance of the Secretary of State to allow for the progress of efficient officers in case they might otherwise be held up at £840 owing to lack of vacancies in the higher grades. The concession was granted to, and therefore enjoyed by, the Veterinary Department alone.

3. No, sir. The hon. member's question No. 73 referred to a salary scale and made no reference to pension constant. If any mention had been made of pension constant or of longer total period of service required, it would in the context have been both irrelevant and misleading. The particular question asked for certain factual information and that factual information was given in the reply.

**KENYA AND D.A.R.A. DRAFT  
ESTIMATES, 1947**

**WITH DEVELOPMENT COMMITTEE REPORT  
AND SCHEDULE OF LOAN EXPENDITURE**

The debate continued.

Mr. MORTIMER: Your Excellency, I rise to support the motion before the Council, and in so doing I wish to take the opportunity of replying to various questions that fall within my sphere.

The hon. member Archdeacon Beecher asked for an assurance that the revised proposals for the financial relationship between the local native councils and the Government would be ready before the end of the budget debate. This very complex problem has been engaging close attention, and we are nearly ready with a completed scheme which I hope will be satisfactory to all parties concerned. When that is ready it will be placed before the Native Advisory Council for their consideration and comment.

The hon. member Mr. Pritam asked why on certain township committees there were no Indian representatives. I am not responsible for the appointment of township committees. That falls within the scope of the provincial commissioners on the advice of their district commissioners. It was news to me that in any of the smaller townships up-country, where Indian residents are in the predominance, there were no Indian representatives, and I will undertake to go into the matter, and if there is any reasonable cause for grievance I will see that it is redressed.

The hon. member Mr. Patel raised the question of the constitution of the Mombasa Municipal Board, and complained that an African member had been appointed to replace an Indian member as one of the four Government representatives, in contravention of a promise which he affirms was given by my predecessor in 1929 that one of those four should always be an Indian. The law on the subject reads: "that in the constitution of the Board there shall be not more than four members to be nominated by the Governor to represent the Government of the Colony". I was aware that in 1929 discussions took place with my predecessor on the constitution of the Municipal Board, but all records have been destroyed in the Secretariat fire and there is no official record available for reference. It is very surprising to me that my predecessor or any other Government officer, should have pledged for all time the exercise of the Governor's prerogative in selecting members on any authority to represent the Government interests. The Mombasa Municipal Board has been asking for two years that African representatives should be appointed: When, therefore, there was a

[Mr. Mortimer] vacancy in the Government representation, it seemed to be a very favourable opportunity for acceding to the request of the Municipal Board and appointing an African as one of the four Government representatives. This was done without any consultation with the Indian members or the Indian residents of Mombasa, as I certainly did not feel it incumbent upon the Governor to inquire of the Indian residents of Mombasa whom Your Excellency might appoint as representing the Government of the Colony. If I have been guilty of any discourtesy, as the hon. member alleges, it has been inadvertent and I apologize, but on the facts as I have stated them I do not think there has been any discourtesy at all.

The hon. Member for Agriculture has dealt to some extent with the resident labour problem in the settled areas, and I do not propose to say any more except that the time has come when there must be a complete review of the resident labour system, in consultation with the district councils and all others concerned in this most difficult problem, and that we must try to devise a colony-wide policy that can be applied everywhere, with certain local modifications where such are necessary.

I will turn now to a few brief references to the medical side of the Estimates, and first I should like to join in the tribute that has been paid so generously by hon. members opposite to the very excellent speech made by my hon. friend the Director of Medical Services (applause), and the very clear and cogent review he gave of his department's activities. The hon. member Archdeacon Beecher criticized the European hospital scheme, and suggested that the whole thing should be scrapped and that we should go in for a colony-wide scheme. The principle of the European hospital scheme has on more than one occasion been fully debated in this Council and has been accepted by the Council and by the country at large, and it is quite inappropriate now to attempt to introduce any new principles into that scheme.

The hon. member Dr. Rana raised the question of a school medical service. As he well knows, there is a recommendation in the Development Committee Report in favour of a school medical ser-

vice, and the Director of Medical Services is eager to put that into operation as soon as finances permit. It has been impossible, however, in the 1947 Estimate. If the Standing Finance Committee can find the wherewithal to carry out a school medical service for all races, we shall be very glad to have the opportunity of doing it.

The hon. Member for Uasin Gishu asked for some information about the new drug named paludrine. He is not here this morning, but I showed him yesterday the note which the Director of Medical Services handed to me and which I will now read in order to make quite sure of the accuracy of the transmission:—

"As a curative agent in malaria, paludrine is more powerful and more certain than either quinine or atabrin (mepharine). It is also more easily manufactured and considerably cheaper than quinine, and further there is no danger of toxic effect resulting from its use. It is now out of the experimental stage, and as soon as supplies are available through commercial channels it should be freely used as the main anti-malarial drug. Advice has only just been received from Imperial Chemical Industries, Ltd., that supplies of paludrine will be available in Kenya in a comparatively short time. As a prophylactic or suppressive agent in malaria, full information is not yet available. We are carrying out an experiment in the Kericho area, where there are high seasonal epidemics of malaria, but the experiment is not yet complete. The results are, however, promising, and it may be that paludrine may turn out to be a great preventive, as well as curative agent in certain types of malaria, at any rate."

The hon. Member for Nairobi North, who I see is not present at the moment, gave to Council the views of the Nairobi Medical Officer of Health on the general subject of medical services as provided for in the Development Committee Report. He cannot, of course, be expecting a full and detailed reply to these comments, because he had not attached sufficient importance to them to let me have a copy in advance, and it is impossible to take in the whole of a somewhat lengthy and complicated series of comments on

[Mr. Mortimer] hearing them read over once, I will say this, however, that the Development Committee divides health services into two main groups—personal and non-personal—and expresses the strong view that personal services should in general be the responsibility of the central Government, and that non-personal services should in general be the responsibility of the local authorities. Now, there must inevitably be many exceptions to that broad principle, which is intended merely to illustrate a trend. The local native councils undertake, and will continue to undertake, many personal health services. The municipal authorities also undertake many health services, and there is no intention of interfering with those services which are very well carried out by the Nairobi Municipal Council, which can be classified as personal. Government and the Municipal Council, at the request, I may say, of the Council a year ago came to the conclusion that the most satisfactory financial arrangement between the Council and the Government would be to give annually for five years, when it will be subject to review, a block grant of £21,000. That scheme is in operation. If, however, the Government asks the Municipal Council to extend any of its services—for example the training of midwives, in order to provide a Colony-wide benefit—then the financial arrangement for that particular service will, of course, have to come under review.

I should like now to say a few words on the Development Report in general in relation to its recommendations for health services. As hon. members will have observed from page three of the summary of the Development Report, health and hospital services come very low in the list of financial provisions—less than 5½ per cent of the whole of the financial provision in the Report is devoted to those services. I am not complaining, because I hold strongly the view that has been again and again expressed in this debate, that the primary essential for the whole country is the rehabilitation of the land and that without that rehabilitation we are sunk. The rehabilitation of the land and the provision of water supplies must, therefore, play the major part in any development schemes. The hon. Member for Agriculture and Natural Resources has a

colossal task before him. He deserves, and I am sure he will have, the sympathy, the co-operation and the close support of every member of this Council in all that he and his staff are trying to do. But the health of the masses of the people, very closely connected with that re-establishment and rehabilitation of the land.

The hon. Labour Commissioner in his very excellent speech said that it was his opinion that the health of the African population had not improved and had, indeed, declined. That is a very serious statement. It may be said, with ample support, that the health services of the colony have enormously increased within recent years, and a very warm tribute of praise must be paid to the diligent and devoted staff of the Medical Department, who have been working under very adverse conditions in out-of-the-way places, who are providing health services for the masses of the population—not nearly enough—but such as the country's finances have hitherto allowed. Those vast improvements are evident on all sides. Severe epidemics are dealt with very speedily, as we have had evidence in the report of the Director of Medical Services on the way in which that epidemic which started on the coast was nipped in the bud. It might have spread through the whole country and been the cause of the loss of many thousands of lives, not only African but Indian and European too. Endemic diseases have in many cases been almost entirely stamped out. Hospital services have been enormously improved, but even with all those things the health of the masses of the people may have seriously declined. It is impossible to prove a general assertion of that kind, but I should not be at all surprised if, when a proper investigation could be carried out, it was found that this statement was true.

There are certain fundamental facts from which there can be no escape. One is that the African population in this country has enormously increased during the last 30 years. There are no accurate statistics on which we can base any very definite statement, but I think it must be obvious from the facts that we have available that the African population has doubled within 30 years. On the other side, we have credible evidence to support the statement that there has been

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a loss of 30 per cent in soil fertility during the last 25 years. Taking these two things together; remembering, too, that in the drive for increased production many of the foodstuffs, such as wild spinach and the like, upon which the African has been dependent for the maintenance of a balanced diet, have had to disappear; taking into account all those things, I do not think it can be denied that the health of the African—not the African in employment, but the African in the native areas—has not materially improved, even if it has not seriously declined. That is a very important thing from a general development point of view. You cannot expect hard, consistent, steady manual work or any other kind of work from an African, or anybody else, suffering from serious malnutrition, parasite-ridden, a prey to every disease that comes along.

In these days we are developing a new conception of what we mean by health. In the past health services have been regarded as largely of a curative character. We have emphasized hospitals and treatment, but now we are taking a very much broader view and getting a positive conception of what we mean by health. There is in process of being established under the United Nations Organization a World Health Organization, and we in East Africa will have a part in that organization. That organization has taken as the foundation of what they are aiming at—that is health—these words: "Health is a state of complete physical, mental and social wellbeing and not the mere absence of disease and infirmity". In their manifesto the World Health Organization goes on to say that "the attainment of the highest possible standard of health is one of the fundamental rights of every human being, without distinction of race, religion, political belief, economic or social condition". That is a very high ideal. The essentials for health are proper food, good housing, cleanliness and a modicum of culture to enable the recipient of these good gifts to appreciate them. That is a vast task in this Colony. It means hard and consistent and persistent work on the curative and preventive side by means of improved nutrition, by the improvement of cleanliness in the home, in the shamba and everywhere else, and also

some degree of education. All this ties up with what we call mass education. It is a great and a fine task we have before us, and one which should not daunt us. During the course of the debate several members have quoted from the scriptures, and I will follow suit by giving you one from the great compendium of traditional wisdom, the Book of Proverbs "Where there is no vision the people perish". And that is true of Kenya as of any other country.

There is a new approach to our health problem in the Development Committee Report, and that is in the proposed establishment of health centres. Now, health centres are not merely adjuncts to hospitals for out-patient work. That is not their main function, although it will be one of their functions. The whole scheme is put before you in the report which is quoted in Volume II of the Development Committee Report from the South African Commission of Investigation into health matters, in which they set out very clearly this great conception of health centres, what it means, what its aims and objects are, and how they can be achieved. In the health centres there would be adequate staff to do the kind of service that is going to be of most help to the country. That is, there will be health visitors who will go round to the homes of the people, who will teach them elementary hygiene and sanitation, who will teach them the elementary principles of cleanliness, how to cook their food, how to produce a proper and well-balanced diet, and so on. All this will have an immense effect in the future. The idea is that everybody within the scope of the health centre shall be examined at intervals to see what the condition of their health is, instead of waiting until they are so ill they have to go to hospital, and then finding that their disease has gone so far that it cannot be properly treated. What we want to do is to discover disorder before it becomes disease, and that is one of the objects of the health centre.

The organization of these health centres is fully described in the report, with which I have no doubt hon. members are familiar. But if these health centres are to be effective, if we are to have enough of them, and if they are to be properly staffed, in order to make the slightest real impression upon African

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life and wellbeing, it is essential that they be staffed in the main by Africans, under general European supervision, of course. That means African doctors, African nurses, African orderlies, African health visitors, African midwives and the like, which leads me to the next point.

You cannot have these people without training. They do not just come out of the blue. They have to be taken at a certain stage and educated in their own institutions, and there given a thorough course of training for the work they will have to undertake. The Development Committee Report envisages the erection of 20 of the health centres within ten years, the committee asked for 300. That undoubtedly is a long-range policy. 20 is within the range of practical politics. We already have a training centre which is doing good work, but it needs a large expansion, and the capital expenditure for that has been provided in the Development Committee Report. It means also a considerable expansion of the medical training facilities at Makerere. The course for medical officers there now is six years, and will in future be seven. Before students can be admitted to that course they must have reached a certain standard of scientific education. There will be many of them who think they have reached that standard who will have to be weeded out. The supply from Makerere is only a very few per year. If we are adequately to deal with our problem that number will have to be multiplied many times.

That also ties up with the general educational policy for you cannot train for the medical service illiterate people. You must have a large number to choose from with a certain reasonable standard of education before you can take them higher for the more technical and skilled branches of education which they will have to undergo.

The other Development Committee priorities are the improvement of existing hospital facilities and the fulfilment of Government's commitments for the erection of new hospitals. The capital provision has been made, but I would warn hon. members of the Standing Finance Committee as the hon. Director of Medical Services has already done, but I want to emphasize it again, that there is no provision in the estimates be-

fore us for the essential recurrent expenditure to make that capital expenditure effective. Without that recurrent expenditure you might as well keep your money for capital expenditure, because it would be simply throwing it down the drain if you proceed to spend it. I welcome warmly the enthusiastic reception which hon. members have, with certain exceptions, given to the Development Committee Report. That means, of course, that we are sure that the Standing Finance Committee will support the hon. Director of Medical Services when he asks for recurrent expenditure to cover a modest beginning in carrying out the Development Committee plans.

I deplore the attitude of the representatives of African interests towards the Development Committee Report, because the African people will be the greatest beneficiaries from the carrying out of the recommendations of that report. The report is not perfect, its authors would not claim that it was. It may require modification at times, even so, but it is at any rate, a realistic approach to the various problems with which the country is faced and which we must tackle if we are to survive. Emerson said "Hitch your wagon to a star", but, sir, that lays stress on the idealistic side. I would lay stress rather on the practical side and reverse the aphorism—"Hitch your star to a wagon". You have got your star, your ideals; you have got your magnificent aim. Hitch that to a wagon, to something real on the ground, something that will go, and here you have got the wagon, something that will go if you give it the driving power. I would close by repeating the quotation that the hon. Chief Native Commissioner gave you, and I would add to it: "Give us the tools", and to all members of this Council I would add "And give us the co-operation of the people you represent and we will make a good shot at finishing the job". (Applause.)

Mr. FOSTER SUTTON: Sir, a great deal has been said in this Council and in letters, which one cannot help noticing in the Press, about crime, and I feel that I must deal with it, as briefly as I can, for certain allegations have been made by hon. members of this Council who have used a variety of adjectives in describing it. The hon. Member for



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Mombasa—I do not know if he said it with his tongue in his cheek—described the prevalence of crime as appalling. I do not know if he was talking parochially, because he knew perfectly well that I should have to get up and say that, in the constituency he represents, for the last three years the incidence of crime has been steadily decreasing, and it is less now than it has been for a long period of years.

MR. NICOL: I was referring to the Colony as a whole, sir.

MR. FOSTER SUTTON: The incidence of crime in 1946—and I am saying this because I feel and hope that people will take it in the spirit in which I say it, there has been a good deal of nonsense talked about it—the incidence of crime in 1946 is very much the same as in 1945, and I do not say that that is anything to be proud of. (Laughter.) But do let us keep our feet on firm land, because there is a variety of reasons why crime should have increased over the last few years, and I propose very briefly to deal with them.

Dealing with the allegations that it has increased, I admit that in Nairobi it has. It is chiefly due to thieves stealing from motor cars, which people presently leave unlocked and leave property in them. A member of this Council lost something yesterday in an unlocked car somewhere in the vicinity of this Council—

MR. WATKINS: On a point of order, it was on the farm.

SIR GILBERT RENNIE: Is that a point of order which the hon. member is raising, sir?

MR. WATKINS: I think a mis-statement is a point of order.

MR. FOSTER SUTTON: We know perfectly well that people do these things. I have got several examples of the ridiculous lack of precautions taken by owners of businesses and shopkeepers in this city: places are left unattended, for instance. In one case in particular it might almost be said to be a Government office (laughter) and a really amusing incident occurred. Everything was left unlocked, the police walked in during the night, took out two typewriters,

and left a note on a desk, and returned the machines the following morning. I have a number of other examples, but I will not bore Council with them, but I do urge the public to take a little more care. We are not alone in this sort of thing. During the first nine months of this year in London there have been something like 7,000 thefts of motor cars. Now, we get very little of that sort of thing in Kenya, and I venture to suggest that if we took a little more care and used a little more common sense in dealing with our own affairs, we would not offer the opportunities and temptations that are offered to-day. It is a great temptation to anybody to lift something out of a car which is left unattended if they see something conveniently near a window.

Another thing which I said last year, and members will pardon me for repeating it this year, there is a lot of talk about leadership. I suggest that one of the elements of leadership is to set an example, and I think that many of the Europeans and Asians set a very poor example to the Africans. You can see it going on in this city, all over the country, and especially I have it in mind over parking. In Nairobi people park their cars anywhere. Go outside and you will no doubt see half a dozen of us committing an offence this morning. People will not observe the regulations, they pay no attention to the by-laws or to the regulations governing traffic, little or no attention, and I cannot help feeling that if we were to stop at every sign and do the odd things like that, we would set an example to the African and get a certain amount of improvement.

A thing which a lot of people do not appreciate is that the population of this country has increased enormously in the last 20 years, and I have got some interesting figures if hon. members will bear with me for a moment, which indicate that the incidence of crime, generally speaking, has not risen in any appalling respect having regard to the increase in population. I know that I shall meet a particular comment before I finish with this point, when I have given you some idea of what I am talking about. In 1927, the prison population of the country was in the vicinity of 8,000. In 1944 it was between 12,000 and 13,000; that is to say, these are the

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admissions into the prisons here of all races—Africans, Asians, and Europeans. In 1945 it dropped by nearly 1,000, it dropped to just under 12,000.

I know that this opens me to the comment, "Well, it means that the police are not doing their job and crime is not being detected". But that is not true, and I will prove it. If you do not accept my word I can satisfy you outside Council that what I say is perfectly true, that the percentage of convictions to cases reported has steadily gone up. I venture to submit that that is an indication of efficiency, and it speaks for itself. If the number of cases reported to the police are investigated and the number of convictions is steadily increasing, I think that is a very good sign. It shows that the efficiency of the police has steadily improved. I agree with the hon. Member for Rift Valley that I think we have a very fine force; they have been working under the most appalling disabilities all through the war. (Hear, hear.)

As I said, in 1927 there were roughly 8,000 prisoners and now 12,000. The African population, the hon. Financial Secretary thinks, is in the vicinity of five millions. We know we are in a fog about the exact number, but we do know it is over four millions and that it has increased by 1,500,000 in the last 20 years; the Asian population has increased by 75 per cent, and the European by certainly not less than 50 per cent, so that if you consider what I have said about the work of the police, the number of convictions to the cases reported and compare the rise in the prison population, I do not think, if one keeps one's feet on firm ground, that one can say the situation in this country is appalling. It is not entirely satisfactory and has got to be improved, and that is what they are trying to do.

An interesting factor is this, that the percentage of educated Africans—and when I say educated Africans we do not mean a person with a high standard of education but who can merely read and write—the percentage of educated African inhabitants of our prisons is extremely small. A few years ago it was only 1 per cent of our prison population; it has during the last few years risen to about 6 per cent. I only mention that because there has been a good deal of talk

which I have listened to regarding education. But there is a matter—do not know if hon. members realized the significance of it—which was referred to by the hon. Director of Education. He gave some idea of the wastage that goes on at schools. I only comes within my orbit because I consider it is a matter that, having regard to the fact that very few educated Africans commit crimes and come before the courts, having regard to that fact I consider it is a matter I am entitled to mention in this Council. Out of the school population every year as he said, you have a wastage of roughly 50 to 60 per cent in the first twelve months at school, so that if you had 250,000 children at school you have got roughly 125,000 or more wastage roundabout the first year.

I mention that point because I do think it is a matter which we ought to direct our attention to. This is my own personal experience, and I may be wrong. I am not an educationalist, but I personally regard it as a complete and utter waste of money to educate persons for a few months, for they really cannot learn much. But, apart from that fact, I think we are getting a half-baked population, and I have seen it in other countries. They are nothing, they are not fish—I have forgotten the quotation. (Laughter.) The fact is that though they learn a little they do not know enough to improve their standard of living, but learn just enough to become discontented, and those people, I fear, are going to form the bulk of our prison population in future, unless we look out. (Hear, hear.) I mention this because it affects the incidence of crime in any country. Well, I do hope that I shall not be misunderstood, and that people will not think that I am advocating against the proposals suggested in the Development Committee Report. Of course, it is necessary to educate the African, but I think we have got to very carefully consider the matter.

Various points have been raised by hon. members. I am sorry that the hon. Member for Nyanza is sick. He mentioned this illicit gold buying and prospecting, and it is a matter I feel I ought to deal with. He will be pleased to know, if he does not already, that the Commissioner of Police, at my request,



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some considerable time ago made a personal survey of the affected areas, and he has arranged to put in early in 1947 a specially trained squad of police in an endeavour to deal with the situation. He hopes to be able to start that early in 1947. We have also been able to arrange with one of the largest gold mining people, you know the company I am referring to, gold mining and producing, to supply them at their cost with trained police to give them better protection in their own mine. I did not feel that that was a matter the general revenue should pay for, but they are prepared to foot the bill themselves and pay for the importation into their mining area of regular police, and I hope it will be possible to arrange it soon. I think that will prevent a tremendous amount of illicit dealings in gold, because we believe rightly or wrongly, that a good deal of gold disappears from mines themselves; it is not always illicit prospecting. Moreover, their own precautions have not been satisfactory, as I think they will be the first to admit. They do not properly fence the premises or have proper screening rooms, and these are matters we have taken up with them and, if they will help themselves, we are prepared to help them.

Driving. The General Officer Commanding in Chief of this Command has very kindly given me an interview, and I propose again to renew the representations made in connexion with military driving. The hon. Member for Mombasa has persistently raised it year after year. I have not simply sat and done nothing, but I think he will appreciate the difficulties everybody is up against. There are very few trained military policemen, but I think the incidence of bad military driving has improved, certainly here in the last year. I notice that they have had patrols out, and with a limited staff have endeavoured to co-operate, but I will take the matter up again and see if it can be improved so that there is no need for further complaint.

The hon. Member for Kiambu described herself in a manner which I should not be indelicate enough to adopt! She asked me if I would agree to a conference on crime. Sometimes I feel that we have far too many confer-

ences. (Members: Hear, hear.) My time and the time of my colleagues is taken up with them. I do not think they serve any useful purpose, a lot of them, and I know hon. members on the other side give an enormous amount of time. I know it is our job and not theirs, and I know they themselves contribute enormously to it, but I do feel very often that we shoot off into this committee business and, sometimes, I fear we have no clear idea of what we are to talk about or hope to achieve! (Laughter.) I think that before I am prepared to commit myself to a conference on crime we should examine what we have been doing since the crime debate.

We have been acquiring steadily a great deal of information, and I think we are in a very much better position to-day to cope with the incidence of crime than we were two years ago. The hon. member, I was sorry to hear, was kind enough to say that nothing much came of the crime debate, she no doubt does honestly believe that, but before coming to that there is another point that I would like to mention in connexion with crime.

The hon. member Mr. Mathu complained of the African being discouraged all the while and it was time somebody drew attention to it. In the last eighteen months—I am sorry, the hon. member is not here—we have had releases in Kenya alone from His Majesty's Forces of upwards of 75,000 African soldiers. I consider that there is a tremendous amount of gratitude due to these Africans (hear, hear), and it is about time somebody pointed it out. The release of that number caused a tremendous dislocation. They had recently in the House of Lords a crime debate and Government was defeated—

**HIS EXCELLENCY:** In the House of Lords.

**MR. FOSTER SUTTON:** I appreciate that the defeat of the Government in the House of Lords is not of much moment, but I mention the fact to show that it has been occupying the attention of the people at home, and they are very worried about it, very worried. But here, these 75,000 Africans have settled down in their reserves and there has been comparatively little dislocation due

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to their return. As I say, I think it speaks extremely well for them. (Hear, hear.)

Was the hon. Member for Kiambu correct when she said that nothing had come of the crime debate? I think I have to deal with it because it is a complaint, and she feels that the whole thing was a complete washout. In point of fact, since that debate a number of things have been taking place. You cannot expect a change from hell to heaven overnight. (Laughter.)

As a result of the debate we have established a flying squad. It consists of an assistant superintendent of police, an assistant inspector, two Asian inspectors, and 39 Africans, and they have been doing enormously good work. The increase in the number of cases has certainly been contributed to by the detections by this flying squad, and when they get more vehicles—because they are rather short of them in the police at the moment—we shall be able to extend the activities of this flying squad, and I am perfectly certain they have been extremely able and will prove so in the future. That was the result of discussions in this Council during the crime debate. In addition to that, we have got a mobile traffic patrol going, and in the last two months they have prosecuted I think it is over 200 persons for traffic offences, and when I say traffic offences, they have not been wasting their time seeing whether a person has parked his car three feet from a curb or not. I am talking about the bad driving people complain so bitterly about that is helping to ruin our roads.

In addition to that we have got on with the job and nine new police posts have been set up, and there are seven more down for the coming year. These things all take time. The hon. Member for Rift Valley referred, I think, to the Shauri Moyo station (Mr. TRENCH: Question?)—anyway, one hon. member referred to one of them and hoped it was mobile. I can assure him that it is. The hon. Member for Rift Valley—I do not think he will rise on this occasion (laughter)—did advocate mounted patrols. That has been done, and they are doing valuable work. We have not enough of them, but there are now 100 men in that section of the force, all

mounted, and I can assure hon. members they have been extremely active, and as soon as further animals and saddlery are available it is intended to expand that. That was a direct outcome of that debate. (Applause.)

Then we have ever since that debate been actively pursuing inquiries in the United Kingdom—and when I say actively I mean we have been doing something about it (laughter)—trying to obtain vacancies in training establishments in the United Kingdom. Up to date we have not been able to obtain them, but we hope to do so in the near future. I agree with hon. members that it is essential that all branches of the force, as many of them as possible, should be sent to other countries to learn modern police methods and receive training. That is the only way to introduce new ideas into a force, and I can assure you that we will use our best endeavours to proceed with that policy and give effect to it.

Many complaints have been made about police prosecutions. I admit that they are in many cases not as good as they ought to be, but the plain fact is that we have a large number of police officers who, through no fault of their own—they are keen enough—are unexperienced, who are given the job of prosecuting because we have nobody else. I wonder sometimes that they do as well as they do; you cannot expect wonders from them. It is certainly not through lack of trying. After all, they do not know the law, they have had little or no training in it. I have had many and bitter complaints about this prosecution business, but I realize, as the people who complain do not seem to do that they have a very difficult job. They have their ordinary police work to do as well in the majority of cases, they have to work long hours, and, as I say, they have not got the experience.

Since the crime debate one of my officers has prepared an excellent book, and I have been trying for months to get it printed, but through shortage of staff, paper, and so on, I have not been able to get anything done, but when we get that book printed and circulated it will be of enormous assistance to these police officers in the preparation and prosecuting of cases. It was prepared by an officer in my department who is not

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with me any longer. Mr. Spurling, and is an absolutely first class piece of work he has done. That was done as a result of the crime debate, because I think the hon. Member for Kiambu herself made the suggestion that something should be prepared and circulated for their assistance.

Another thing that took place after the debate on crime was that we appointed a committee, the chairman of which was, I think, the gentleman to whom the hon. Member for Kiambu refers to as her legal adviser (laughter), and who is my personal friend, Mr. Slade. He had with him the Commissioner of Prisons and a very experienced police officer in the person of Mr. Elliott was another member of that committee. They were appointed with the following terms of reference: "To inquire into and report upon the incidence of recidivism in the Colony; to ascertain the number of recidivists who fall within the category of 'habitual offenders'; and to make recommendations with regard to their treatment and training". This committee has done an enormous amount of work, and they have had very great difficulty in obtaining the necessary data to compile a report. They have reported, and I received their report early in November. They took well over a year, and I think the result fully justifies the time taken. That report is now being printed, and I was hoping before to-day to be able to lay it on the table of this Council for the information of hon. members. I think if we follow some of the recommendations they have made it is going to assist us in connexion with our habitual offenders.

It is an interesting fact that our habitual offenders form a very large proportion of our prison population, and they have increased and seem to increase steadily every year. I think the percentage now is something like double what it was 20 years ago, so it shows you they are a source of considerable anxiety to the people responsible for law and order, and we have got to do something about them. In this report the committee made certain recommendations, and I propose to advise the Government to get on and give effect to their recommendations as early as we possibly can.

It was no use introducing legislation dealing with this matter until we had their report. It would have been a simple matter for me to have come along, if one had wanted to do the popular thing, with my tongue in my cheek and tried to introduce legislation on this matter, but I thought it was better to find out what the problem was and then legislate accordingly (hear, hear), and that is what we are proposing to do.

I am afraid I have taken longer on that than I intended. The hon. Member for Central Area referred to the long delays in trials. I know that it is so. Cases do take, especially in the lower courts, sometimes an interminable time to bring to trial, and, of course, these constant adjournments occupy a considerable amount of the time of the police, who could be better employed. One of the troubles is that we have not got enough magistrates. We were given, I think, two extra last year, or anyway half of what we asked for, and we need more if the work is to be dealt with expeditiously. I discussed the question of delays in Supreme Court cases with my hon. friend His Honour the Chief Justice, and he has taken steps to rectify that. I have had the utmost co-operation from him, and I think that aspect of the problem has already disappeared owing to the fact that delays—or anyway an avoidable delay—have been dealt with.

There is one point I wanted to mention in fairness to the police, and that is that the Commissioner during the past year has been trying to build up the Force and he has been able to recruit, I think, 57 inspectors, but he has lost 31. He is still 24 down, and that has done persons reaching the age limit and wishing to retire, and to transfers and so on. So that, although we have a lot more recruits, we have lost a very large proportion of our experienced men.

Hon. members mentioned the report on police terms of service. That has already been laid during this session, and I can assure hon. members that it is receiving the attention of Government. My hon. friend the Financial Secretary has put forward his views on it, and we hope as soon as Council adjourns to get on with the job and to put forward, if we can, a reach agreement, our recommendations to Your Excellency.

[Mr. Foster Sutton]

I am not proposing to deal with all the points made by hon. members, but I think I ought to deal with the Mombasa police lines as many members mentioned that. They are disgraceful, I admit. I have been down there and inspected them myself early this year. We have got a certain amount of land and we have accommodation on that for about 50 African police askaris, but the lines are deplorable, and the trouble at the moment is that we cannot get an alternative site. We have been trying, and unless we can get somewhere to put the new lines we cannot put them up. There is a disagreement at the moment about the alternative site. At the moment the lines are disgraceful and in the wet weather they are swamped out, but I sincerely hope it will be possible in the coming year to do something about it. As regards the police lines, Nairobi, the Town Planning Adviser has at last agreed that they shall go in the African location, so I feel a little progress has been made there. I am not going to suggest that a cornerstone or anything is to be laid, because the last one was laid 23 years ago and we are still looking for our new lines. But I think it may be possible in the comparatively near future to get on with the training depot. We are waiting for Mathari. (Laughter.) The present position is hopeless, but when Mathari takes itself elsewhere, with the hon. Member for Health (laughter) the police will go into Mathari. (Laughter.) (Mrs. Watkins: Hurry up!) Well, the hon. member might well wish me to hurry up there too!

The hon. member Mr. Mathu raised a point I feel I must deal with, and that is the subject of litigation on land matters. If we followed the policy advocated by him it would be, in my opinion, a retrograde step. In 1930, I think it was, we passed a law which took away the appellate jurisdiction of the High Court in native land cases. Those hon. members who were here in 1942 will probably remember that the ordinance was amended then by the Native Tribunals (Amendment) Ordinance. The reason for that amendment was to do exactly contrary to what is now advocated by my hon. friend Mr. Mathu, and that was to take away the original jurisdiction of the Supreme Court in native land cases. I,

personally, should resist a change in policy as advocated by him unless we are fully satisfied that it is the right thing to do. We took away the Supreme Court's jurisdiction originally in 1942, for these reasons, among others: the Supreme Court proceedings are costly; they are not within the reach of the average African; they take considerably longer, because if you go to a court of law, under our system of jurisprudence you have got to prove your case and you have to have advocates for that. Under the present system all this is done away with. It is rough and ready justice, but I think in the main it is justic.

Another thing is that under native law there is no written law; it depends entirely on native law and custom. It is in a state of flux, and it would be impossible to compile any textbook that would be of any assistance to the courts of law who deal with these cases. If the hon. member would read the Phillips report he would find they made a number of suggestions which I think will improve the existing position. For instance, the main features of the recommendations in the Phillips report are the establishment of a sessions court, with the Provincial Commissioner as chairman and provision for African membership; the appointment of provincial judicial officers who would pay particular attention to land cases and to the investigation and recording of native law. That is essential. We also recommended the establishment of a court of revision consisting of a Supreme Court judge as president; the Chief Native Commissioner, or his nominee, and the Judicial Adviser. I think that that is a far better suggestion than allowing these native land cases to percolate through the High Court to the Court of Appeal and probably ultimately to the Judicial Committee of the Privy Council. It is overwhelming the thing, and they would have nothing to go on, whereas the Phillips report suggestions are commonsense and I think they will meet the complaints made by my hon. friend Mr. Mathu.

Both hon. members representing native interests also urged that the African representation in this Council should be increased. You, Sir, I know have been discussing—I believe you have already had a discussion—with both members, and I think that all that it is necessary

[Mr. Foster Sulton]

for me so say now is that Government proposes, when a suitable opportunity occurs, to take steps in connexion with the matter.

The hon. member Mr. Mathu also raised a point about this restriction on the drinking by natives of beer, that it ought to have been dealt with months ago. Government has accepted the policy that the restriction should be removed, and I am afraid I must accept the blame for not having prepared the necessary legislation for introduction into this Council, I give you my promise that I will use my best endeavours to have it ready next year, I hope in January.

Immigration is one of the last matters I want to deal with very briefly. Complaints have been made by hon. members about the method of administration. I readily agree that some considerable hardship in certain cases has been perpetrated. It is a question of opinion. All these cases are dealt with individually and one person may have one view and another another, I have undertaken to go through them, and I have been through a number myself, and in cases where I considered hardship has been created that will be rectified, and I have rectified a number.

There is only one thing finally I want to refer to, and that is the remark made by the hon. member Mr. Thakore in connexion with the Transport Licensing Board. He said they have not controlled it. I have been in close contact with that Board ever since I have been in the country, and all I can say is that I profoundly disagree. Most of the people who do the work on the Board are volunteer workers, who put in an enormous amount of time, and I think they have done a thundering good job. I do not have dealt with upwards of 2,000 applications a year, and they have frequently gone to meetings all over the country connected with this business. I think they have done a sound job of work, and I am sorry that anybody has seen fit to say that their work has gone for practically nothing. I personally disagree, and take the opportunity of making this vindication. I think they have done their job honestly and well.

There is one final point. I do not propose to say very much on it. The hon. Member for Nyanza asked whether rumour was a lying jade. I think it appropriate for me to say in this Council at this stage that the answer is that rumour is not a lying jade.

I beg to support.

**HIS EXCELLENCY:** Before we resume, I should like to suggest to hon. members that we continue at 4 o'clock this afternoon. If we do that we shall be sure of finishing this debate to-day, and will have to-morrow for legislation. We will sit until 1 o'clock now and resume at 4 this afternoon.

**MR. MUNDY:** (Commissioner of Inland Revenue): Your Excellency, first of all I have some questions to answer.

The present gold royalty was introduced at the commencement of the war to meet the position arising out of the increase in the price of gold at that date. Conditions have altered since then. Last year, Tanganyika Government invited a senior officer from the Mines Department of the South African Government to come up here and advise them as to the best method of charging a gold royalty. That officer's report is at present being examined, and as soon as the examination is complete Government will consider whether there is a case for altering the existing royalty on to the basis of an income tax figure after allowing for capital redemption. Meanwhile, I could not recommend that there should be an exemption for a period of three years.

The hon. Member for Nyanza wanted me to give him the figures of royalty for 1940 and 1946. The 1946 figures are not available yet, as the royalties are both collected and repaid day by day, and the rebate, but the 1945 figure, I think, will serve his purpose: 1940, £24,599; 1945, £2,594. I think hon. members will agree that the burden is not a heavy one.

I propose to surprise the hon. Member for Nairobi North, who said that if Government had not introduced the capital allowances they would be perpetuating a capital levy. Since income tax was introduced over 100 years ago, the principle has been to take the excess of current revenue over current expenditure and to apply a rate of tax to the resulting figure. If an allowance had been

[Mr. Mundy]

made for capital wastage, it would have been necessary to apply a higher rate of tax in order to obtain the same yield. It would be perfectly logical to allow, say, the cost of transportation to and from the office, but if that was done you would have to apply a higher rate of tax to make up the yield. Government was no more guilty of imposing a capital levy than it could be said it is now imposing a levy on the cost of transport. Provision for capital wastage must be made out of the income left after income tax is paid, and it will still have to be done when the capital allowances come into force, although, of course, the amount of income available will be slightly higher. The important point at the moment is that Government does not propose to increase the rate of tax, even though this allowance has been granted.

On the question of the capital levy, the hon. Member for Uasin Gishu said he did not agree with my hon. friend in front (Chief Native Commissioner), who said a cattle tax was in the nature of a capital levy. I should like to come up to his farm and ask him for Sh. 10 each on his cattle and see whether he thought that was a capital levy. As far as income tax is concerned, he only pays on the profits he makes out of his cattle.

The next point was whether this relief in respect of capital expenditure was fairly put at £150,000. It is quite useless to take the case of a single tractor which has been purchased and may not be replaced for, say, seven years. The matter has to be looked at on a much broader issue. The customs figures show that imports of machinery into this Colony in the first seven months of this year were in the neighbourhood of £600,000. I do not say that all that machinery will actually go into the productive industry, but taking the year's figures and taking into account not only plant and machinery but motor cars, motor lorries, and secondhand machinery which changes hands—they will all come in for this 20 per cent initial allowance—I think on those figures alone the amount which will change hands in machinery, including motor cars, may well exceed a million pounds, and a calculation of the 20 per cent with tax at Sh. 4, which might well be higher, will give £40,000 to £50,000

I agree, as the hon. member pointed out, that that is only an advance instalment of wear and tear, and will be recovered in years to come, but it will take probably seven or eight years before that necessary comes back, and next year there will be similar purchases of plant and machinery. The result is that there will always be a floating allowance which will not be recovered so long as purchases of plant and machinery are so on continue to go on. In addition to plant and machinery, there is allowed 2 per cent depreciation on all industrial buildings and structures, which, in the case of most farms will include one third of the value of the farm house, dwelling houses for employees and labour lines, and that type of property will also be subject to a 10 per cent allowance in respect of new buildings as from the 1st January, 1945. The structures I have referred to include, for instance, in the case of agriculture, things like dams, borholes, bridges, fencing and that kind of thing, on expenditure of that sort in future 10 per cent will be written off right away. I think hon. members will agree with me that it will be a good many years before that is brought back, as it is called, if there is a profit on the sale. As regards the amount involved in that property from the point of view of the allowances, we have to take into account the large tea and sisal estates, and I am told there are about 2,000 farms. If I take £500 as a very modest estimate of the cost of buildings on these farms which would be subject to this allowance, again I think the figure will be well over a million pounds, and it is on that figure that this allowance of 2 per cent will be made. I agree that I cannot substantiate the total figure exactly, and do not pretend to do so, but I do say it is a fair figure to be taken.

I agree with the hon. Member for Nairobi South that if the adoption of the same rates of income tax throughout East Africa would have the effect of creating hardship and inequity there would then be no question of having to depart from them.

The Income tax sub-committee of the Agricultural Production Board produced the seven pillars of wisdom: I thought they were nine, but perhaps two of them lacked wisdom! I dealt with them very fully at the conference of chairman of

[Mr. Mundy]  
 The Production Committees held in February of this year in this room. The copies I gave to that conference have already been printed in the proceedings of the conference, and I think I dealt with everything put up. In fact, what I said then has been confirmed by the publication of Government's proposals for the capital allowance and the proposals for winding up the excess profits tax.

There was, I think, one item, the question of allowing farm profits to be charged on an average basis, which I did not deal with, but it has already been dealt with in the report made by Sir Wilfrid Woods. I do not know anything that has not been dealt with in that sub-committee's report. If there is anything that has not, I shall be very glad if the hon. member would let me know exactly what it is.

He said that I have said that there is nothing in the Income Tax Ordinance which states specifically that an allowance can be granted in respect of loss of fertility of the soil. I have good authority for what I have said, and I may quote from a United Kingdom income tax case, the *Worley Brewers Co., Ltd.*

The Commissioner of Income Tax, whose the Master of the Rolls said: "Yes, it is quite true that the assessment of profits and gains for income tax is an assessment which has to be conducted in accordance with the questions laid down by the statute. Subject to those considerations, the proper way of assessing the profits and gains is by the ordinary business methods whereby the profits and gains would be properly ascertained by business men."

There is nothing in the United Kingdom statute which says that it is the right method of assessing the profits and gains of a business which is carried on by a person who is engaged in the business of agriculture. It is the ordinary business methods whereby the profits and gains would be properly ascertained by business men.

support for what I regard as his fallacious statement that all taxes fall on agriculture. The hon. Member for Western Area has already been dealt with by the hon. Commissioner of Mines on that very point. I am always very willing, I think hon. members will agree, to help the farmer, but I think he has scraped the barrel fairly clean now, and the farmer has been dealt with very well in the Income Tax Ordinance, and in the Excess Profits Tax Ordinance especially.

I regret that I cannot agree that sums set aside for development should be allowed free of income tax. That is a question which I have already considered very carefully. It has also been considered in the United Kingdom, and the Chancellor of the Exchequer, I think, in his budget speech the year before last, pointed out that what it amounted to was relieving savings from taxation, and that could not possibly apply to the farmer alone. What we do in fact is to make adequate allowance for all moneys expended on development.

Now I come to what I may call the Kumbu anomaly. (Laughter.) I do not propose to deal with it legally or ethically, but I hope, effectively, I do not think my taxpayers up into two or three classes, but something like 30 or 40 classes, and in addition to Government officers, commercial employees and farmers there are a lot of other people who contribute to the wealth of the Colony who are very interested in my income tax. In fact, I have one or two very special classes of taxpayers, the great humorous, friendly, willing sort of taxpayer, which when I read him my reminder, always has not to forget his income tax on the day that will write to me on these lines: "Dear old Tom, I must think I should say that I have a note of it on my desk calendar. I would like to pay over to you the additional 10 per cent. Please look it up when you next touch down here on taking off." (Laughter.) I am very grateful to the class of taxpayer to be very useful to me.

The Kumbu anomaly is said to have been introduced by the hon. member for Western Area. I am somewhat sure that the main object of the introduction of the Kumbu anomaly was to bring about a more equitable distribution of the tax burden on the agricultural community.

[Mr. Mundy]  
 employee first. If the Government official is pensionable, he would be entitled to a free-house, he has a salary of £520 a year, so his house is worth about £80, and pension about £90 a year. He will pay his income tax on £520 plus £80, that is on £600 a year. If the commercial employee is to be truly compared, he must also have an additional £80 and £90, and he would not be so foolish as to take out an annuity, but would take out a life insurance policy and would be able to deduct £90 in premia in computing his income tax, so that both commercial employee and Government official would be taxed at £600 a year, and so on throughout the whole of their 20 years working career. In that connexion, I would mention that Government's proposal to increase life insurance allowance is intended to meet that sort of position, that is the pensionable versus the non-pensionable man.

Turning to the farmer, the first thing to notice is that the farmer does not pay income tax at all on the value of his house, so he starts off with an anomaly of £80 in his favour, which goes on right through the twenty years, and the value of the house will probably run up to £150. I could juggle the amount of the profits to produce various results, and with the other anomalies in favour of the farmer I am quite sure that over the whole period it is more likely that he will in fact be better off. But the incomes of farmers are not the only one which fluctuate. Incomes from trades, professions, vocations, incomes of commercial travellers, agents, employees who are paid on a commission basis or by bonuses on profits, also fluctuate, and not only do they fluctuate in this colony but throughout the whole world where income tax is charged on the basis of the previous year, which is the common form of income tax. There is no particular anomaly there. In fact, if you take the majority it is rather a regularity.

I appreciate the point, or the principle rather, of the hon. member Archdeacon Becher regarding the 7 cents on a bottle of beer, but I think I should welcome the attitude of the brewers because it seems to me that they have looked at the matter in a businesslike way. They have reduced the price of their product possibly with an eye on

more competitive business in the post-war period, and I commend their action to other traders who seem to have forgotten the idea of small profits and quick returns, and I hope it may have some effect in reducing that trouble-some index figure. I agree with the hon. member that the brewers' profits would be reduced on account of the excise duty they would pay, but that would not be recovered in income tax. They would get back one-fifth, but it is not unlikely that the result of their businesslike attitude will be that profits on sales will go up, as will excise duty and income tax! (Laughter.)

Estimated assessments. It is the normal practice of the department to raise an estimated assessment in all cases where returns are not made, but owing to the staff position that cannot be done at the present moment in all cases. What we find is that raising the assessment often brings more correspondence and trouble and it takes far more time than would be spent in settling the whole thing once and for all. I am always ready to accept cash from anybody, even though the assessment is delayed, and if anyone cannot resist spending money I suggest that he sends me a cheque right away! In cases where two or three years have to be settled in one sum, my department is always ready to allow payments by instalments if there are financial difficulties.

Finally, my last question was from the hon. Member for Mombasa. He wanted me to put the period during which a tourist would be exempt from personal tax at three months. I have always regarded him as a very strong advocate of the tourist trade, and much regret that I cannot agree to reduce the period from the present figure of six months! (Laughter.)

I think I have disposed of all the questions, and I now turn to what I regard as the major issue, this question of taxation. The most important part of this motion before Council is, in my opinion, the proposal to refer the Development Committee Report and its associated estimates to the Standing Finance Committee. I expected that splendid report to take first place in the speeches of the hon. members. It is the first large scale plan for the development of this colony, and it should, I hope, mark the commencement of a new era

[Mr. Mundy]

of progress and prosperity. (Hear, hear.) It has not been received with the enthusiasm that I expected, and I found it almost overshadowed by this taxation question. In fact, this taxation question might even stand in the way of it.

Briefly, what I have to deal with is a request from certain hon. European members—should I say a demand—that there shall be a reduction in taxation and certain alterations in customs and excise. The importance of this is that these hon. members have said that if Government does not accede to their requests and if the Standing Finance Committee does not make the alterations which have been asked for, then they will vote against the adoption of the Standing Finance Committee report. They add that their attitude has the complete support of the European electorate and that it has been linked up with discussions which may take place on Paper 191. I regard it as a very serious matter, sir, I do not say that this demand or request is not a just one, because quite frankly I do not know but what I do say is that it is nothing but a demand. It is ill-conceived and it is illogical and it has few, if any, facts to justify it. I do not agree that it can possibly have the full support of the whole of the European electorate, and I have only to refer hon. members to the public meetings which took place at Thika and Subukia.

I shall examine it fully and I hope to justify what I have said about it. Briefly, the reasons for it are that income tax is incapable of certain collection, that it is unfair and inequitable in its incidence, that it presses unfairly on one community and that, as a subsidiary to that, there are tremendous arrears of income tax. I propose to deal first with the first one, that the tax is incapable of competent collection; in other words that there is too much evasion.

Not one single fact has been put forward to justify that. The hon. Member for Trans Nzoia 10556 the ball across to me and said "You tell us how much tax is lost and how much of it you have lost already". He knows perfectly well that I do not know because if I did know, I should stop it and there would not be any. But the important thing in this debate is that neither he nor any

other hon. member knows, and yet the very first part of this case hangs on it. The origin of this, I think I am right in saying—and I regret to have to mention it—was the publication of the figures of the taxes paid by the two communities, and as soon as those figures were published it was immediately inferred that they proved that there was enormous evasion of tax. I say it proves nothing of the kind. Evasion is not new; evasion has been going on for years, not only in income tax but in all other forms of tax. It has been examined by many competent committees in the United Kingdom. In 1920 the Royal Commission on Taxation went into it very thoroughly. Witnesses who appeared before that Commission—and they included such prominent people as the late Lord Stamp—put the evasion in the United Kingdom at that time as something between five million and ten million pounds a year. One witness put it as high as one hundred million—which is the sort of thing that is being said in Kenya to-day—but the Commission was quite unable to accept that statement, and, while it could not prove any figure, it did not dissent from a figure of about ten million pounds in the United Kingdom at that time. That amounted to roughly 5 per cent. of the taxation revenue at that time.

I do not know if that has any significance in Kenya to-day, and I realize that it could be criticized, but if 5 per cent is a reasonable figure, then the loss by evasion may be in the region of £50,000 a year. I have always asked anyone who says he has evidence of evasion to come to me and tell me about it. Only a little while ago I met a man who said he knew that vast sums of money were being made by a certain partnership in this town. I asked him to let me have that information, but in the end he had to admit he could not remember who told him. (Laughter.) That is the sort of thing I am up against. I do not propose to enter into a long discourse on this question of evasion. It was dealt with very adequately by my deputy at the last session of Council and I stand by everything he said. I would just add this, that if half of the evasion is detected—and I think that should be done—the penalties which will be recovered will fully restore the yield of tax and the honest taxpayer will not suffer.

[Mr. Mundy]

I would link with that the question of staff, because I think hon. members would wish to know something about it. I think, perhaps, they have forgotten that the original Kenya staff had to be scattered throughout East Africa when income tax and excess profits tax were introduced in these other territories. They have had to do extremely hard work, and they have done a very difficult job of work under extremely difficult circumstances, and I can assure hon. members that they are not a little discouraged by these stories—and quite inaccurate stories—which go around about the amount of evasion. When I returned from leave a lot of people seemed to expect me to bring with me a suitcase full of new assessors. I hope I secured two new men in the United Kingdom. I went to the Inland Revenue Department there, and I found that they were in a much worse state than we are here, and I saw little hope of getting any trained men from them. Accountants are very scarce. One of the reasons which was given to me was that in the United Kingdom the Ministry of Food employs some 48,000 people with an annual cost of seven million pounds and that if these men were released I could fill up my department many times over. It is unlikely that I shall be able to bring my staff up to strength in the near future. Everything possible will be done, but I want hon. members to appreciate that we have got to face the plain facts. Excess profits tax has now been abolished, and as soon as my staff has cleared up all the outstanding cases it will release some of my more senior men for investigation work.

The second leg of this case was that the tax is unfair and inequitable in its incidence. The hon. Member for Nairobi South said that other hon. members would give me examples. All I have had is the Kiambu "anomaly", which I have dealt with, and there was nothing in that peculiar to this colony which would justify the statement that taxation is inequitable or unfair on the European. I have also had three cases put up by the hon. Member for Nairobi North. One of these three cases, the first one, is a lady earning £360 a year, and I would say immediately I sympathize with her, but the hardship which she is suffering is not

an income tax hardship. The hardship she is suffering is that she has to put away £8 or £9 a month for her old age. That is a specific case, not a general case, and it may be that it needs a specific remedy, but it in no way justifies the point that the hon. member put up to me. The other two cases were those of married men with children, one with two and one with three children. Those are the very cases which Government has already recognized need relief, and Government's proposals are so good that those examples are a little bit too late. Government has already recognized that relief should be granted and, in fact, proposes to grant relief.

Just by the way on those two cases, the hon. Member for Nairobi North asked me to outline how these new education allowances would be granted. The principle has already been announced in this Council, and I have not yet worked out the details. It is a different matter, and I regret the hon. member is not here to-day, because I went to him and asked him if he would give me some advice, because I knew he was interested in it—and what does he do but come to Council and ask me to tell him now! (Sir ALFRED VINCENT: I should like to say the hon. member is ill.) I should be grateful if I could have some advice on that point. I can assure hon. members it is not an easy one to solve. That is all there is to support this case that income tax is unfair or inequitable on the European.

The next point was that it presses unfairly on one community. This again relates, I regret, to this question of the taxes paid by the two communities. It is a fact that the European tax is seven or eight times that of the Asian tax, but the incidence of income tax on any given income is exactly the same, irrespective of its owner, and the fact is that the European incomes are seven, eight or nine times those of the Asian. The hon. member Mr. Pritam gave some figures of company capitalization which I agree are not entirely relevant, but there is nothing at all which justifies the statement that it presses unfairly on one particular community, any more than I can say that the tax I pay presses unfairly on me because it is more than double the tax a married man with half my income has to pay. I regret, as I have said, having to mention this division of taxes. Our

[Mr. Mundy] incomes are made by the joint efforts of all communities. It would be utterly impossible for us to make the incomes we do if we attempted to list separately in this colony (applause), I would stress this, that we should not forget also that some of the profits which are made are entirely due, or largely due, to the lower standards of living of some of the inhabitants, and particularly the African. (Applause from members representing Native Interests.)

I think I have dealt with everything which has given the slightest support to the three points that the tax is inequable of competent collection, that it is unfair or inequitable in its incidence, or that it presses unfairly on one community. It may be that hon. members have held something back—in the words of the hon. Member for Aberdare, "I ha' ma reasons, but I'm no telling!"

The next point was the arrears of tax, which have been referred to as the hidden reserves or something up the sleeve. First of all, I would say that there are practically no arrears of tax which have in fact been assessed; that is, once the assessment has been made we do see that the tax assessed is in fact paid on the nail. As regards unassessed tax, I will explain this in detail because I think hon. members need it. I keep a card index system on which is recorded the name of every person in the colony who has an income liable to income tax or who we have any good grounds for thinking to be liable. There are 12,281 cards in existence at the moment. They show whether the cases are settled or unsettled, and last September a count was made of the unsettled cases which gave the following figures: 1940, two; 1941, seven; 1942, three; 1943, 61; 1944, 603; 1945, 1,320. These numbers have been reduced day by day since then. Of those 2,000 cases odd some of them would certainly show no liability; that is, they eventually turn out to be not liable to tax.

I have no reliable estimate of the amount of tax which is involved in these cases. It would mean going through each case and seeing how much income was returned and also making sure that I was satisfied with it. All I can do though is to look at the yield of tax up to date and try and estimate what the final figure

would be, and I put the amount unassessed, at the present moment, as follows: 1943, £25,000; 1944, £75,000; 1945, £250,000. That will give a total for all years up to the end of 1945 of £350,000. Of that amount I expect £100,000 will have been paid by the end of this year, so that my arrears up to the end of 1945 I put at £250,000. (His Excellency, 1946-7), 1945, sir.

For 1946, 5,000 out of the 12,000 names on my index have been dealt with, and £300,000 of tax has been assessed. I estimate that the total for the year will be £900,000. Of that £900,000 half was due and payable by the 30th September last; the other half is not due until the 31st March next year. Of the £450,000 which should have been paid by now I estimate that £250,000 will have been paid by the end of this year, so that the amount of tax which would be in arrear at that date will be £200,000 for 1946. That gives me a grand total for all years up to date of £450,000 by the end of this year.

In addition to the tax which is collected in Kenya there is about £125,000 a year collected in London by my London office and, thanks to the excellent services of Mr. J. A. Hill, our official representative there, the collections there are well up to date, but he has been collecting substantial sums of cash which he has been putting to the credit of the income tax account, pending a settlement of the double excess profits tax relief arrangements with the United Kingdom. Those arrangements have only recently been completed, and in fact it will mean introducing Bills into this Council to put them, finally in order; it will mean that both the income tax and excess profits tax liabilities of those United Kingdom companies which are dealt with there will have to be revised, and it will mean the transfer of quite substantial sums from the income tax account to the excess profits tax fund. I have no accurate figures at the moment. I am expecting some from London any day, and I hope I shall be able to give some figures to the Standing Finance Committee.

I am, however, quite satisfied that these transfers will reduce the amount of arrears which can be regarded as available in cash at the end of this year, and the figure which I have given of

[Mr. Mundy] £450,000 is on the high side, but that is the best estimate which I can give. There is no mystery about it whatsoever. The figures which I keep and the records which I keep are available to the Standing Finance Committee, and I hope they will examine them in detail. Whether these arrears are enormous or not is not material to my mind. In fact, with regard to this case I have to deal with, I think it would have been better if the whole of the money had already been extracted from the pockets of the taxpayers.

There were one or two references to a more even spread of taxation, and I noticed that later speakers rather seemed to take it for granted that their case had been proved, and they used their ingenuity in finding a means of shifting the income tax burden on to other people's shoulders. There I come to the end of the case as it has been presented to me.

I consider of that case what has been asked for: Sh. 1 off income tax, the personal tax to be deducted from income tax, an excise duty on sugar and tea, and £100,000 to be taken off customs duty on items entering into the cost of living index figure. It has been pressed by everyone, I think, that the relief must be given to the lower income groups. No one has defined exactly what is meant by lower income groups. The salaried man has been mentioned, a European on £2 a month, the three cases quoted by the hon. Member for Malindi North, and of the young lady on £350 a year who has to pay £2 a month in income tax, and I gather that the African is not entirely left out. I think it would help hon. members to understand the position if I point out that out of 8,500 Europeans who pay personal tax, because their incomes exceed £120 a year, 6,000 odd only have incomes assessed to income tax. It is a fact, of course, that certain Europeans have only recently been demobilized and will not come into income tax until next year, but it is a fact that there is a considerable body of Europeans whose incomes do not come up to the income tax level, and I will quote a recent count of 774 Government officials whose incomes do not exceed £500 a year.

How will this shilling off income tax meet the case which has been put to me?

First of all, it will not enable the tax to be collected more competently. The same figures of income will be returned, but the lower rate of tax will be applied to that figure. Secondly, it will in no way make the tax press less unfairly on one community; on the contrary, I regret again to have to refer to those figures of tax paid by the two communities, but the greatest percentage reduction in the tax would go to the Asian community. I think it is true to say that their average income is far less than the average income of Europeans, and the rate of tax they pay may well be something like Sh. 3 in the £ as against Sh. 5 by Europeans. A simple calculation, which need not be checked by experts, would show that Sh. 1 off Sh. 3 would reduce the Asian tax by one-third, and Sh. 1 off Sh. 5 would reduce the European tax by one-fifth. In fact, the answer would be that the proportion of tax paid by one community in the revised totals would be increased and not reduced. (Laughter.) I gather that this proposal to take a shilling off income tax is to take it off right through the income tax range and not alter the surtax. It is not of great importance, except to show how ill conceived this idea was, because if we did take the shilling off, right through it would be necessary to bring the surtax charge down to incomes of £2,200 a year and upwards and make the initial rate Sh. 3 instead of Sh. 4. I mention this so that hon. members can fully appreciate what is asked for.

If I now look at these proposals in relation to the lower income groups as they are called, and I do not want anyone to think that I am unsympathetic to my constituents; on the contrary, I fully appreciate their position, but I must see their position under these proposals. Individually, who would benefit from them most? The taxpayer with an income of £10,000 a year would get relief of something like £500 a year, practically the total income of one of those unfortunate people in the lower income groups. Then the income taxpayers have, I presume, already accepted Government's proposals for the £200,000 relief, but they are not satisfied—they want £200,000 more; that is, they want £400,000 in relief. What are the rest to get? Those unfortunate people in the lower income groups are offered £100,000



[Mr. Mundy] off customs duty on items entering into the cost of living index. But is it theirs? No! Everyone shares, income taxpayers and everybody in the colony. I admit that the hon. Member for Rift Valley did put it up to £200,000 and, in fact, said he was prepared to go higher, but I think he gave as a reason for differing from his colleagues that the news of the revised surplus for 1946 was not known until after the hon. Member for Nairobi South had spoken. That was not correct, because the hon. Financial Secretary spoke about the surplus on the 14th November, the hon. Member for Nairobi South spoke on the 19th. Then the hon. Member for Rift Valley would double the personal tax, double the tax on the people who do not come up to income tax level. But the income tax people, my customers, would get their personal tax doubled but taken off their income tax liability. On top of that the proposal is to slap on excise duty on sugar and tea, the bulk of which would in fact be borne by the lower income group of people. I consider that this is a most illogical and ill conceived case. (Laughter.)

It would be difficult enough for Government to accept it if it were supported on all sides, and it is not surprising to find that there is a different point of view. The hon. member Archdeacon Beecher has pointed out that no relief comparable has been offered to the African; he has pointed out that we need all the money we can get for development, and he has suggested that the cost of relief, if any is to be granted, should be transferred on to the shoulders of the more wealthy people, and there is other support for that view. I think it is just as easy to point to the African tax, a million and a half or whatever it might be, and say that there is equally a good case for relief from taxation.

Apart from the fact that the motion before Council is to refer the estimates to the Standing Finance Committee, they have not yet examined them, and we do not know what the financial position is going to be and whether there is any room for relief. I submit that I have made it abundantly clear that no Government, no Government, could possibly accede to this demand as it stands at the present time. I hope hon. members will really appreciate that.

The hon. Member for Trans Nzoia wanted to put Sh. 2/50 on to the African, and invented a very simple means by which the African could get the money. That is a very crude illustration of the case I have to deal with, and I should like to turn it on its inventor. I would like to add 6d. to his income tax, and advise him to slip a synonymous egg under one of his cows and then wait for me to give him his income tax receipt. (Laughter.)

The hon. Member for Nairobi South read out a list of the taxes paid in other parts of Africa. I know that he does appreciate that there are many other factors to be taken into account when you look at a list of that kind. But, what is most important, no one else should be in doubt that there are other factors to be taken into account. I cannot deal with all the cases, but I do know a little bit about Nigeria. The 1945-46 estimates show that two-thirds of the tax revenue comes from customs duty, and I know that the bulk of the population there are salaried employees of Government or large trading concerns. There is no settled European or wealthy population, and I do say without further ado that there is no fair comparison of the position here with the position in Nigeria. The Rhodesias and South Africa are both wealthy countries, and well may their taxes be lower than ours. East Africa is not a wealthy country, and we have to pay higher taxation, but the taxation here has never been considered high enough to affect initiative. The hon. Member for Nairobi North quoted a Socialist Chancellor of the Exchequer and pointed out that he recognized that there must be some sort of stimulus to initiative when it has been dulled and blunted by taxation. The people at home have earned their relief, and they are still earning it; in fact, I do not know if hon. members are aware that nearly one half the expenditure in the United Kingdom in this year's budget is going on defence and supply services from which we here derive a benefit. If there are any dull or blunt people in Kenya, I am sure it has not been caused by taxation.

I have, been very destructive, I think, to-day. (MRS. WATKINS: Very.) (Laughter.) But it has been necessary, I think. Almost the first words I said on this subject were that I could not say it was

[Mr. Mundy] not a just case, and nothing I have said has proved the contrary. All I have endeavoured to do is to make it clear that no Government could accept this demand or request as it stands. It is my duty to advise the Government if taxation is unfair or inequitable, and if it is so I shall have no hesitation in seeking a relief. Last year and the year before I had representations not only from Kenya but all parts of East Africa that the tax was unfair and inequitable, and three points were put up: that there should be an allowance for capital depreciation, that the tax did create hardship in the case of a family man who had children to educate, and that the life insurance restriction was inequitable in the case of the non-pensionable man. Those were reasoned cases which were put up, and Government has, in fact, met them in exactly the same way as it has met representations which have been put up by what I might call "big business" in connection with the winding up of the excess profits tax.

Government does not turn down reasonable cases for an adjustment of the tax if there is inequity or hardship or anything like that. If there is a good case for some further relief or alteration in the tax, I should do everything in my power to see that it is put right, but I am not falling for the agile move by the hon. Member for Nairobi North—I am sorry he is not here to-day—when he says it is up to Government to prove that its taxes are just and not equitable.

In spite of the vigour of the demand put forward, I think I must accept it as merely expressing a demand for a further and fuller investigation into the incidence of taxation, and I think that that is all that hon. members can really expect to have done. I appreciate very much the fact that they would willingly pay any taxation which is necessary if they are satisfied that it is just and equitable. It has just occurred to me that the hon. member did say that if Government did not accede to the reasonable requests then hon. members would not vote for the Standing Finance Committee's report. It may be the joke is on me, and hon. members do appreciate that this is not a reasonable case.

I am anxious to leave no one in any doubt as to the difficulties which will

have to be faced if a solution satisfactory to all parties is to be found. It has been suggested that if an ad hoc committee is formed and it is composed of the right people who have had a long experience in this colony, they will be able to give the answer. It was also said that when we get out statistics we shall know what to do, but I would point out that even if we get our statistics and know what is the incidence of taxation, we still have to consider the benefits which are derived from the spending of the money. The study of the incidence of taxation is a comparatively new one in the United Kingdom, where it was not until 1919 that any figures at all were got out. In more recent years figures are available to show the percentage of the incidence of both direct and indirect taxation on a whole range of incomes, but even with those figures available it is still largely a matter of opinion whether those percentages are right or not. We cannot here in this colony expect to achieve the same accuracy that they have in the United Kingdom, and I would refer hon. members to the Moyne Report of 1932, which had to leave no less than two-thirds of the expenditure of the colony as being entirely indivisible. I do not want to raise any false hopes that with this lack of information we are really likely to get a solution which is going to be satisfactory to everybody, and if any alterations in taxation are to be made, we must also bear in mind what the repercussions are likely to be. A shilling tax on Africans might well come out of the European's pocket in the end.

My view is that the real problem is not so much taxation, but it is this cost of living. What we are waiting for, in fact, is a readjustment of the purchasing power of money in relation to salaries and wages, and even, perhaps more likely, prices of all commodities. The two cases which the hon. Member for Nairobi North mentioned were, I understand, those of Government officials. The real cause of hardship in those two cases, in my opinion, is not the taxation, but the fact that those two officers are called upon to bear a sacrifice in their cost of living allowance, and if that sacrifice were taken away they would be able to pay their tax quite easily. Whatever is done, I do hope we shall make



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sure that it does, in fact, give relief to the person who really needs it.

Finally, I do not propose to recite verses or to quote the scriptures. It is said that the devil has some idea about that, and no allusion is made to the hon. Member for Aberdare or my hon. friend here (the hon. Member for Health and Local Government). What I would prefer is to put on record a few words in the hope that some hon. member in years to come will use them to wind up his speech. I would ask hon. members to bear in mind that there are matters to-day of far greater importance than this taxation. The labour problems, the development of the colony, in fact, the means by which we can get the money on which we have to pay taxes, and I venture to suggest that it may not be long, in fact sooner than some people may imagine, when we shall be most thankful for the sound financial policy which Government is following to-day.

I beg to support.

SIR GILBERT RENNIE: Your Excellency, in rising to support the motion before the Council, I would begin by expressing the appreciation of the Development Committee of the very cordial support that the committee's report has received in this Council. Shortly before the report was published, I, having some idea of the reception that might be accorded to some of its recommendations, advised members that for their own safety and peace of mind they should take three months' holiday out of the colony. Well, I am glad to say that the reception accorded to the report has been more favourable than I expected and that most people have realized that the cake that the committee had to deal with was not a very large one, that the committee gave its various slices on a fair and reasonable basis, and that in its division of the cake the committee acted on the principle of first things first.

I had the advantage in September of discussing the Development Committee's Report with officials at the Colonial Office, and I am glad to say that the Secretary of State has expressed general agreement with the development plan. He has made a number of observations and various suggestions, but the only point

to which he has called particular attention is that to which the hon. Member for Health and Local Government alluded this morning, namely, the necessity of ensuring such expansion of preventive medical services as we can. The suggestion that came from the Secretary of State was in relation to those very health centres to which the hon. member referred, and it was suggested that we should try to increase the number of health centres even within the period of the development plan. As the hon. member stated, the recommendation of the committee is that twenty centres be established; the Secretary of State has suggested that we should try to increase that number as soon as possible, even within the ten-year period of the plan, and that matter is under investigation at present.

I think I should refer at this stage, but only very briefly, to the education section of the report. Hon. members must be aware that discussions of the technical details of that section are going on both at this end and in the United Kingdom. In September last I had the benefit and advantage of discussing the various proposals with the African sub-committee of the Advisory Council on Education in the Colonies. They have forwarded to this end a number of suggestions which I have passed on to the educationalists here, and I hope that as a result of the discussions both at this end and at the other end we shall have an education plan which will meet with the approval of all the education experts concerned. So far as the Secretary of State is concerned, he has reserved his comments on that particular section until these discussions to which I have referred have been completed.

In view of some comments that have been made about the inadequacy of the recommendations, I think I should mention that the Development Committee itself was only too well aware that its recommendations did not cover as wide a ground as they might. I refer in particular to paragraph 235 of the report, which states: "A study of the reports of the various sub-committees and a comparison between the programme recommended in this report and the requirements of the colony as set out by the sub-committees. Indicate clearly that the plan now advocated is, to say the

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least of it, inadequate to the colony's needs". That paragraph then goes on to show in what directions the plan might well be developed. I refer to that matter at this stage in order that hon. members may be aware that when anyone is being generous with any surplus on the working of the year 1946 that may accrue—in other words, this so-called half a million that the hon. Financial Secretary is supposed to have in his sleeve—they will remember this particular paragraph of the report and that the Development Committee has made it perfectly clear that the plan needs much more money than has been provided; and if there is any question of a raid on the surplus on this year's working, I hope—they will allow D.A.R.A. to lead the rush.

It seems to me that one of two misapprehensions still exist as regards D.A.R.A. finances. It has been stated, for example, that provided certain reserves are and loans are handed over to the Development and Reconstruction Fund, and provided that the revenue estimates supply £300,000 a year as a contribution towards that fund, the development and reconstruction programme can go gallily on. I want to remove that misapprehension straight away. It has already been explained by some of my hon. friends on this side of Council that there is such a thing as recurrent expenditure increases consequential on the capital expenditure proposed in the Development Committee Report. That is a most important aspect, and it is dealt with very fully in paragraph 232 of the report. It is quite obvious that, if the development programme recommended by the committee is going to be carried out in full, it will be necessary, not towards the end of the ten-year development plan, but straight away, starting from the first year, to ensure by increasing the recurrent expenditure estimates, that we have the staff and that we have the money for the working expenses of the various schemes that are put forward by the Development Committee. In this paragraph 232 it is mentioned that the consequential increase at the end of the ten-year period will be somewhere in the region of £1,100,000 a year. That admittedly will be offset by revenue to a certain extent, but we cannot escape from

the fact that the implementation of the Development Committee Report will need substantial increases in our recurrent expenditure, and that some of those increases are not provided for in the 1947 Draft Estimates as they stand.

Some of the departmental increases I might touch upon very briefly. We have had the Medical Department mentioned, and a department that has not received much attention during this debate is the Forestry Department. Hon. members will recollect that the proposal in the Development Committee Report is that the colony's recurrent budget should take over the whole of the recurrent expenditure on the Forestry Department with effect from 1948. That alone will mean a gross increase of some £76,000 a year, and there are several more items of that sort that are round the corner. My hon. friend the Financial Secretary has been accused of having hidden reserves up his sleeve. Well, I cannot be accused of that, but what I have up my sleeve is a number of hidden commitments and I am sure it is only right for me to say in this Council that these hidden commitments must be provided for in the 1947 Estimates and in the following years if the development plan is going to advance as we all expect it to do. There is one most important recurrent commitment to which I should refer.

Hon. members are aware that under the soil conservation programme and under the African settlement programme and the rehabilitation of the African areas we are carrying a great deal of recurrent expenditure as capital expenditure at the present time. One reason for that, so far as the soil conservation plan is concerned, is that the plan is regarded as a ten-year plan and in theory it comes to an end, and the expenditure ends, on the termination of the plan in ten years time. We all know that that will not actually happen; there will be a great deal of consequential recurrent expenditure that will have to be provided for. The same thing applies to the reconditioning of African areas. The Development Committee Report makes it perfectly clear that the three million pounds provided for in the report will make only a good start with the work. It is essential that that start should be made and that it should be a good one, but I wish at this stage to warn hon. members that we

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have items of that sort which we must estimate for when we are doing development planning as we are at the present time.

The point I am coming to is this. We have heard a good deal during the course of this debate and in discussions elsewhere on the 1947 Draft Estimates, that we should indulge more freely than is intended in what is called deficit finance and that we should live "on our hump", as one hon. member vividly described the process, for a year or two. Those of us who deal with these surplus balances know only too well that they are completely inadequate for ordinary reserve purposes at the present time. The hon. Member for the Coast made the point that we must distinguish between what are really surplus balances and the reserve funds that have already been resolved by this Council to the Development and Reconstruction Fund. That is an important point. We have already been told by my hon. friend the Financial Secretary that our surplus of assets over liabilities is still under two million pounds, and that, I submit, is much too small a sum for our ordinary reserve purposes. It is certainly much too small a sum to attempt any heavy raids upon. So far as the equipment plan is concerned, when we are talking of raiding I should like to make it clear that the development plan does not provide for a good many items that we do not provide for which I myself have observed to be necessary during the past few months. For example, to take one item in which the hon. Member for Kiambu showed a quite proper interest, the matter of the new mental hospital. (Laughter.) The short fact there is that in the Development Committee Report we have recommended the provision of some £35,000, but that provision was based on the expectation that we were going to continue the improvements to the present hospital and that we were not going to build a new one. It has been found necessary to build a new mental hospital, and a tentative figure of £80,000 has been put in the Draft Estimates for 1947 for that project. There alone is a deficit of £45,000 which is not provided for. I should like to emphasize this, which is not provided for in the Development Committee Report. I

could mention numerous other items where we need more money. Housing. We hear a good deal about police housing these days, and I will deal with the actual amount that has been recommended for police housing when I come to the remarks of the hon. Member for Rift Valley. Roads and water. We could do with far more money than we have for the improvement of our roads and for the development of water supplies, and an item for which no provision was made in the report is the building of new central offices. Your Excellency has already expressed the view that we should do something about such new offices if funds become available in the near future.

Well, the short fact is that it is essential we should do something about new offices for at least three departments as soon as ever we can. The Audit Department and the Accountant General's Department are at present being housed in the Railway Headquarters, by the generosity of my hon. friend the General Manager. He needs the accommodation himself and, in fairness to him and to his Administration, the sooner we allow him the room which the Audit and Accountant General's Departments are occupying the better. We have also the Income Tax Department—if I may mention it! (Laughter.) The short fact is that we talk about the efficiency of collection and the efficiency of administration, but in his present offices my hon. friend the Commissioner is distinctly handicapped in his attempt to ensure a high state of efficiency. I have been into this question of additional offices recently, and I can assure hon. members that we shall need a substantial sum of money for the new offices that I have mentioned. Someone may say why not build temporary offices to tide over this present difficulty. We have not overlooked that possibility, but we should be wasting a good many thousands of pounds if we build temporary offices at this time, instead of starting straight away on the construction of permanent new offices.

Now, to show that this tale is not quite complete, I would refer to the research projects that are summarized towards the end of the Development Committee Report. There is a suggestion there that a sum of £605,000, if I remember rightly, should be provided

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for research projects—£263,000 on capital expenditure—and it is suggested that we should get all that money from the Central Allocation of the Colonial Development and Welfare Vote. It was made clear to me in my discussions at the Colonial Office that we were a little optimistic in thinking we should get as much as that from the Central Allocation of the Development and Welfare Vote. Some of these research projects are of the greatest importance to this country, and if it does prove to be the case that we cannot get the whole of that amount from the Colonial Development and Welfare Vote, I consider it is up to us to ensure that we provide both the capital money and the recurrent money to see that such projects as research in connexion with agricultural and veterinary services, health services, and water development are carried out. Among these projects one which I might mention is this question of a geological survey. That will indicate to hon. members the importance of these items.

I should just like to sum up my point so far, and it is this, that when we are talking of deficit finance and of raiding our surpluses, we should realize that we need a great deal more capital expenditure than is provided for in the Development Committee Report if we are going to implement the recommendations there in a satisfactory way, and we shall need a good deal more recurrent expenditure than is provided for in the 1947 Draft Estimates if we are going to ensure that the proposals in the report are steadily carried out.

On the subject of loans, a great many of us are loan experts these days, I am sorry to say. (Laughter.) Some of the most fantastic notions about loan expenditure are expressed at public meetings in this colony. I would not go so far as to say they are also expressed in this Council—that would be disrespectful! I do not propose to usurp the functions of my hon. friend the Financial Secretary on this matter, but I may say that I had discussions on the subject of loans at the Colonial Office in September, and it was made very obvious to me that if we obtained permission to raise a loan of five million pounds outside Kenya we should be very lucky. As hon. members

know, the Development Committee Report recommends loans to the extent of seven millions—five million pounds in ordinary loans and two millions of what we call self-reimbursing loans in the report. During the discussions at the Colonial Office I made a plea that at least the self-reimbursing loans should be stepped up to three millions, since we are all aware, and my hon. friend the Member for Health and Local Government in particular, that the two millions suggested for self-reimbursing loans is inadequate for the development plans of the various local authorities in this country. My plea was noted, but I must admit that that was about all! (Laughter.)

The point I am coming to about loans is this: to a large extent we have the remedy in our own hands. I am glad to note in this Council and outside it a growing appreciation of the advantages of raising our loans locally. That point has been covered briefly. I admit, but I think adequately, in the Development Committee Report, and if we who regard the development of this country as of first importance wish to ensure that that development goes forward satisfactorily, we should plead for a generous response to local loans on all occasions. I must admit that the reasons for the raising of the first local loan was not satisfactory. There are various reasons for that which are referred to in the report, but it is hoped that we shall be able to provide a more satisfactory basis for the next instalment, and my plea to hon. members is this, that they should do their best to ensure that there is an overwhelmingly good response to the next call for local loans in this country. (Applause.)

Some people may say: "That is all very well; you tell us that you need more money for D.A.R.A. to implement the Development Committee Report, yet you have got £241,000 up your sleeve in the unallocated reserve." To that I would reply: "Remember that most of that money is already earmarked in the Development Committee Report on such projects of first importance as, for instance, such expenditure as may fall into any Government funds in connexion with any implementation of the Fencing Ordinance." The dam at Thomson's Falls is also mentioned in this connexion.

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and a third item is such expenditure as may fall upon Government funds in connexion with any tsetse control measures in the settled areas. I may also be told that there is £73,000 unallocated in the building section. As I shall make very clear later, that £73,000 is a mere drop in the ocean when we consider what the real housing and office requirements of this Colony are.

I will now deal with one point which has been touched upon by several hon. members, and that is the question of the adjustment of the development plan in the light of changing circumstances. That point has been covered in paragraph 26 of the report, in which the committee makes it clear that in its view we can safely leave to the Members of the Executive Council responsible for groups of departments the determination of priorities within the funds made available to them. If we leave to those members, in consultation with such advisory boards and committees as they may consider necessary, the spending of the money within the block allocations, we should ensure a flexibility in the plan that should enable us to carry out any necessary adjustments from time to time. Any major revision of the plan can be dealt with by the Planning Committee which is mentioned in paragraph 8 of the Development Committee Report.

After those remarks on the subject of the Development Committee Report and the Development and Reconstruction Authority finance, I would turn to some of the points made by hon. members.

The hon. Member for the Coast suggested that we should try to obtain money for recurrent expenditure from the Colonial Development and Welfare Vote, as has been suggested in the dispatch sent by this Government in, I think it was, August, 1943. That point was not overlooked by the Development Committee, but I think hon. members would recall that that very point was discussed last year, and Council was of general opinion that it was better for us to face now our recurrent liabilities under the development plan and tack them on to the ordinary budget, rather than leave them round the corner in the D.A.R.A. budget, where they would come as a nasty shock at the end of the period of the plan. There is the further point,

of course, that when we are given a block allocation of three and a half million pounds from the Colonial Development and Welfare Vote for Kenya purposes, if we use that money to keep us going in the way of recurrent expenditure year by year, it is obvious that we shall have all the less money for capital expenditure; and in view of the principle that the Development Committee adopted of facing its recurrent liabilities now—a principle, I may say, that received warm support in the Colonial Office—it seems to me that the method we have suggested, namely, of using the Colonial Development and Welfare Vote money for capital expenditure for the most part, is a wise procedure.

I do not propose to say more than a word or two on the subject raised by the hon. Member for Mombasa of State-created money. I have had the advantage of reading the memorandum that he mentioned in the course of his speech, but I still fail to understand how the proposal would work in practice. In case, however, I seem to be refusing a good offer, I would say that if the hon. member would present me on behalf of D.A.R.A. 10 per cent of the £300,000,000 of State-created money that he spoke of, I shall be only too happy to accept it, and I will not ask too many questions about how it came! (Laughter.)

The hon. Member for Nyanza suggested that D.A.R.A. might produce rather fuller reports. I should be happy to accept that suggestion, and I will take an early opportunity of asking the hon. member in what particular respects he would like the reports to be expanded. He will appreciate, of course, that these interim reports that D.A.R.A. produces cannot contain up to date figures of expenditure, because the accounts take some time to complete and we cannot give accurate figures showing the latest expenditure, but anything that D.A.R.A. can do to produce better reports and fuller interim reports will certainly be done.

Now I come to the remarks of the hon. member Archdeacon Beecher. I may say that he has been dealt with so thoroughly (laughter) by hon. members on both sides of the Council that I feel a little reluctant to add to the assaults which have already been directed against him. I think, however, in fairness to the

[Sir Gilbert Rennie]

Development Committee it is necessary for me to cover one or two points. I must begin by expressing disappointment that both in his criticism of the report and in that of his colleague, the hon. member Mr. Mathu, they did not get down to detailed criticism at all. We were kept on the plane of general criticism, and I might almost say, general views. I had expected detailed criticism of the various sections of the report, and it would have been of great benefit to me if I had received it. I trust, however, that he and his colleague will give detailed criticism to those education authorities, for example, who are attempting to work out the details of the educational development plan.

I gather from the speeches of both hon. members that they are most disappointed with the education section of the report, and the reason for their disappointment, I also gather, was the fact that the committee did not recommend that more money should be spent on African education. Now, I think, if I remember rightly, that the hon. member Archdeacon Beecher said that the proposals were rigidly in the extreme. My idea of money and of niggardliness must, I think, vary from that of the hon. member. I, for example, think that a capital expenditure of £800,000 over a period of ten years is fairly generous. He may, of course, be referring to recurrent expenditure, and there again I suggest that an increase of £112,500 as a gross increase in recurrent expenditure is not ungenerous. He may retort, of course, that the Development Committee expects to get most of that back in the way of fees from African parents, but I would remind him in this connexion that, although the committee has based its conclusions so far as revenue is concerned on a fee of Sh. 15 per annum per pupil, it recommended that the committee which is going into education finance should go into the matter of school fees more thoroughly than the Development Committee had time to do, and it also recommended that a minimum fee between Sh. 10 and Sh. 20 per annum should be considered. The suggestion has been made to me at the Colonial Office that the fee could be reduced if the local native council cess were increased for educational purposes. I have no doubt

that the educational authorities at this end will go into the matter.

It may be of course, that it is the technical details of the report that the two hon. members object to. I realize that in educational matters many people have different opinions. I do not propose to discuss the advantages of a four-year course as compared with a six-year course in primary education at this stage, but in case there should be any misapprehension about the remarks of the hon. Attorney General on the subject of education, I merely say this. I think I am correct when I interpret him as saying that he intended no criticism of the four-year course recommended by the Development Committee when he spoke about the disadvantages of people with a half baked education; he was referring to the point made by the hon. Director of Education, who had told us that, after the first year (in fact, even during the first year) in elementary education many children dropped out. I may say that the four-year course proposed by the Development Committee was suggested as the result of a study of one of the Colonial Office booklets on the subject of education, prepared by a most experienced committee at the other end. I ascertained when I was in London that in the Sudan at the present time they are getting very good results indeed from a four-year course. So if the hon. member Archdeacon Beecher imagines that the hon. Attorney General was referring to the four-year course when he made his remarks about education, I think he is under a misapprehension.

In view of the criticism directed against the Development Committee and its education section, I should like to make it clear that in my discussions in London I did not find a lack of appreciation of the work that the committee had attempted to do. In fact, I was told that this recommendation from Kenya was one of the first from any colony as regards trying to work up to universal literacy, if I may call it such, within a stated period of years, and the fact that we had set a plan before us in that way was appreciated. So far as the African sub-committee of the Advisory Council on Education in the Colonies is concerned, I felt that they appreciated that the Development Committee had made

[Sir Gilbert Rennie] a real attempt to develop African education to the fullest extent possible in existing circumstances when it put forward its recommendation. So far as the Secretary of State himself is concerned, he has expressed his warm appreciation of what the Development Committee attempted to do.

The hon. member Archdeacon Beecher spoke about the necessity of creating opportunities for all. That is exactly what the Development Committee has attempted to do in putting forward its proposals for African education. At the present time it is the case that only a very limited number of African boys and girls are given opportunities of education. The Development Committee, looking to the future of Kenya, looking even to the present time when we need educated Africans very badly indeed for our various services, as the hon. Member for Health and Local Government pointed out this morning, considered that the obvious thing to do was to throw a very wide net over the colony and give as many of the boys and girls as possible a chance of advancement along the educational path. The only way the committee could do that within the funds that it could see available, was on the lines advocated in the report, and with education on the broad basis suggested the committee felt that those who are fitted for further education at the end of the four-year course should be able to use their ability (and the plan provided the necessary opportunity for such boys and girls) to go on and take a larger and more important place in the administration and development of the colony.

The hon. member Archdeacon Beecher asked the question whether the African would be a better man as a result of the expenditure proposed by the Development Committee. The answer I give to the hon. member is this: that he does not become a better man if it is not the fault of the Development Committee. (Hear, hear.) Right throughout this report—go over it section by section—right throughout this report recommendations are made for the advancement of the African, and it was with that African advancement and progress prominently in mind that the committee compiled the various sections.

There is one point to which I would refer at this time. The hon. member has concentrated on what he regards as omissions in the report. I think he would have done better service to the African community, as well as the Development Committee, if he had concentrated a little more on the recommendations themselves, on what the report recommends rather than on what it does not recommend. In these days gratitude is not a very usual quality, but I think the hon. member would have been setting a good example—and he referred to African behaviour—to the community he represents if he had expressed his appreciation of what the committee tried to do for the African, and, in the course of his remarks, pointed out some of the omissions.

I was reminded in the course of his speech of that somewhat ingracious Scottish youth who was asked to tea by his professor, and having looked around the table—and as you know Scottish teas are usually generous meals—uttered the following grace: "Lord, if these our bellies fill this will be a miracle." (Laughter.)

My submission is this, that solicitude for the true interests of the African is disclosed in every section of the report. I admit that the committee's idea of what constitutes the true interests of the African may differ from that of the hon. member, but the committee certainly did not consider that it would be in the true interests of the African if it recommended the building of a top heavy social structure on an economic basis of an unsuitable kind. (Hear, hear.) And, taking up a point which the hon. member Mr. Mathu, if I understood him aright, made that the best way to increase the income of the African is to increase expenditure on social services, I would merely repeat that the principle which actuated the committee was that first things must come first. I would also refer to your remarks at the opening of this Council, sir, last year, namely, that social services, hospitals, clinics, welfare workers, and many other things of that kind are the consequences and not the cause of primary production, and if we cannot produce the wealth we cannot have the consequences.

I should like to leave the hon. member there, but there is one point to which I

[Sir Gilbert Rennie] must refer in fairness to the Development Committee. He referred to the committee's remarks in paragraph 31 about the employment of Africans in Government service, and he gave the impression, certainly to me, that the committee recommended the employment of Africans in Government service chiefly because of economy. I will read the paragraph in fairness to the committee: "As an aspect of the problem of the proper use of man power of the country we would mention the fact that it is the accepted policy of the Government to employ Africans, wherever possible, in suitable posts in Government service. This policy has, in our view, a double significance; on the one hand it provides an outlet for the growing skill and experience of the African people and for their direct association with the development of the country, and on the other hand it is a means of reducing the cost of the public services of the colony and thereby enabling those services to be expanded".

Hon. members will observe that the Development Committee made sympathetic reference to the growing skill and experience of the African people and to the necessity of providing for their direct association with the development of the colony. They will also observe, no doubt, that the hon. member in the course of his remarks made no allusion to the earlier part of this paragraph.

On the subject of finance, since we are all financiers these days, I will not attempt to follow the hon. member into the realms of high finance to which he soared in his search for deficit finance and large loans. I would merely express regret that when he had recourse to his old friend Horace for a suitable allusion to the Public Works Department he did not turn aside for a moment to my old friend Ovid and remember that earlier example of high flying when Icarus, despite the warnings of his father, soared a little too near the sun and his wings melted. (Laughter.) I trust that the hon. member's wings are still secure, and despite the amount of ack-ack fire aimed in his direction during this debate that his aircraft is still sound, his undercarriage secure, and that he will come back to earth in a sound condition. (Laughter.)

Council adjourned at 1.05 p.m.

Council resumed at 4 p.m.

SIR GILBERT RENNIE (continuing): Before the luncheon interval, I was expressing the hope that the hon. member Archdeacon Beecher would have a safe return to earth from his celestial journey. I will now turn to a question which he raised regarding the Agricultural Training Schools and Teacher Training Centres at Embu and Maseno.

The hon. member said it was a severe indictment of the Government that the buildings had not yet been constructed. I must admit that the progress made with these two projects up to date has been disappointing. As hon. members are aware, these two schemes formed an application to the Colonial Development and Welfare authorities in 1943, and approval to the double proposal was received in 1944. A good deal of time during that year was taken up with the question of the exact siting of the school at Embu, with the siting apart of the land, or with the preliminaries to the setting apart of the land, because the land is in a native area, and with the survey of the land. In the course of that year the Education Department discovered that the proposals in the approved form did not cover all their latest ideas. In particular, provision had to be made in the amended scheme for the new centre for the education of women and girls, which had formed part of a separate application to the Colonial Development and Welfare Vote, and which was approved somewhere about the middle of 1944. The Public Works Department tried to work out amended estimates for the proposal, and it was obvious early in 1945 when the preliminary estimates had been prepared that the amount of money required for the scheme would be considerably in excess of that already approved for the original scheme. A good deal of discussion took place between the various departments and the Secretariat in an endeavour to get the new figure somewhere within reach of the old.

D.A.R.A. was constituted, as hon. members know, with effect from the 1st August, 1945, and I came into this argument a month or two later. After discussions with the departments concerned the estimates were cut down to a figure a little nearer the approved figure, and

(Sir Gilbert Rennie) the Public Works Department was told to go ahead. I think hon. members are aware of the great shortage of architectural staff in the colony during the war years and, so far as many of the D.A.R.A. projects are concerned, it is the shortage of architectural staff that has held up the actual carrying out of the work. In this particular case the Director of Public Works, in an endeavour to expedite the matter, gave the architectural work out to a private firm. That was about the end of 1945. Unfortunately, a leading member of the firm had to go on leave and the result has been that it is only recently that the Public Works Department has received some of the plans from the firm in question. Even that is not the last word, because estimates taken on the basis of the plans prepared indicate that the costs are still much too high and will have to be revised again. On this subject I may say that it is not only the Public Works Department that at times finds its estimates over the approved figures!

So much for Embu. It is not altogether a happy tale. As regards Maseno, there has been some delay there, too, because when we thought that we were getting on rather nicely with the preparatory planning, the suggestion was made that the Veterinary Department should be brought into the scheme more closely than had been originally intended. It took some time to sort that one out, and recently when I received the estimates for the combined project I discovered that the revised figure even then was some £20,000 in excess of the amended figure that appears in the Development Committee Report. The question then arose what was D.A.R.A. to do? It had £90,000 for this combined project in the Development Committee Report, which was £20,000 less than the latest amended estimate. It was obvious that the one thing to do was to get on with the business, so I went to the Standing Finance Committee and suggested that if they would back D.A.R.A. to the extent of the extra £20,000 I would give the "all clear" to the Director of Public Works. The Standing Finance Committee did so, I gave the "all clear" to the Director of Public Works, and he is now engaged in what I hope will be reasonably final

discussions with the departments concerned.

I cannot pretend that that, as I have said earlier, is a very happy tale. It has been a source of much anxiety to me personally, and I have taken a good deal of interest in the matter in an endeavour to expedite the implementation of this particular scheme. The Public Works Department has done what it could, and several months ago it established a brick works at Embu in an endeavour to have the necessary bricks available when the work began. I hope that when the final plans are ready we shall be able to push on with this work all the more urgently because of the delay that has occurred.

The hon. member referred to housing, and perhaps, before going on to deal with the various attacks that have been made on the Public Works Department, I might take up one of the points that he made when he said he deprecated any attempt to relate the cost of housing a man and his family to the wages drawn by the man. I think we must, in this case too, keep our feet on the ground. I cannot agree with him in this contention of his. It is a principle that has been accepted in the Government service for some time now that there must be some relation between the cost of housing a man and the man's salary, and it is on that basis that D.A.R.A. is working at the present time. Where I do agree with the hon. member is that we should attempt to find a minimum standard of housing for everyone, and that also is being done by D.A.R.A. just now. We have recently been into the question of housing Africans. We have a series of plans for the various types of housing drawn up, and I hope to be able to send copies of those plans to the various persons interested; if the hon. member and his colleagues would like to see copies and would let me have their criticisms, I shall be only too happy. We shall send the plans to the departments interested, and I hope that as a result of the suggestions made we shall be able to house Africans adequately and economically without too much extravagance.

As I have said, there have been several attacks on the Public Works Department, and as one who has probably more to do with that department than most people I think I should say a little on the subject. The trouble about housing-

(Sir Gilbert Rennie) and housing costs in this Colony is that we are all housing experts! We have all done a great deal of building at one time or another ourselves. It may be that one of us will build, or may have built, a five-roomed house, a five-bedroomed house. I gathered it was costing £350. My building efforts have not been quite so ambitious. I have built a single-roomed house costing £15, but when I come out with what I have done in that line usually I omit to say, as is only proper when having a crack at the Public Works Department, that my one-roomed house consisted of a roof stuck on four cedar posts! The point I am getting at is this, that in all these comparisons of building figures with the Public Works Department figures, there is very seldom a fair basis of comparison. Too often the house is made of stone on the *shamba*; too often the house is built by labour on the *shamba*; the actual cost of supervision is not included in the cost of the house. If we are going to criticize the Public Works Department costs, then let us have it on a basis which enables us to draw a fair comparison.

The hon. Member for Nairobi North suggested that the Public Works Department should compete with private contractors and see how their costs compared. Well, we have done that so far as D.A.R.A. is concerned. We gave two what we call "economy" houses to the Public Works Department recently, and we gave four of the same type of house out to contract. The result is somewhat interesting. I may say that all these houses are being erected in Nairobi. I admit that I have not myself checked the figures that have been given to me.

The two houses built by the Public Works Department cost £1,195/10 each, and the houses that have been given out to contract, allowing for the fact that garages were not included in the contract, but are included in this particular figure at a similar figure to that allowed for in the P.W.D. costs, cost £1,337 each. The Public Works Department figure, I repeat, was £1,195/10 and the contract figure £1,337. That is a case where we are able to establish a reasonable basis of comparison. I may say that the Consulting Engineer to D.A.R.A. is very interested in this matter of Public Works Department costs, or building costs generally, and as far as D.A.R.A. is con-

cerned, we are out to get the best buildings we can for our money. Sometimes we instruct the Director of Public Works to put the work out to contract; sometimes we ask him to do the work departmentally. The opinion of the Consulting Engineer is that, generally speaking, there is very little indeed to choose between the contract costs and the Public Works Department costs and that normally the Public Works Department work is of a higher standard.

As I say, the Public Works Department is fair game for attack; it has been so in this Council on occasions such as this for several years now. As my hon. friend the Director of Public Works has pointed out, it is not always appreciated what the Department did during the war years under extraordinary difficult conditions. In those years I had a good deal to do with the Public Works Department, as I have now, and I for one take off my hat—or would take it off if I had it on (laughter)—to the Director and his officers for the work that they did during those years. Matters are not so very much better at the present time so far as staff is concerned. The Public Works Department still very short of staff, and the amount of additional work and responsibility thrown on that department by the D.A.R.A. programme, even by the small extent by which that programme has advanced in the past year or so, has been enormous, and I think, instead of cracking at the Director and his officers, as we do, we should now and again show by our encouragement that we do realize the good work that they are doing. (Applause.) When I say that I do not want to give the impression for a moment that D.A.R.A. is not doing its best to keep costs down, hon. members will have noted several paragraphs in the Development Committee Report in which the necessity of building in the most economical fashion possible has been stressed. I cannot say that particular zeal for economy is everywhere noticed among members of the general public of this Colony when they are anxious for this building or that building to be constructed at Government expense, and I have sent one or two letters in which D.A.R.A.'s attempts at "economy" have been taken very severely to task indeed, and it has been explained to us that our ideas of economy are out of place.

[Sir Gilbert Rennie]

The hon. Member for Kiambu referred to the high standard of building in connexion, I think, with the "economy" house to which I referred. Perhaps it would interest her to know what the house itself costs. The figure is Sh. 17/50 per square foot of plinth area, I suggest that that is very economical building indeed for a house of that description. I should like to throw out a little challenge to our expert builders. The hon. member Archdeacon Beecher told us of a house that he has built for the sum of £350. No doubt we have other people in this Council who think they can build more cheaply and more satisfactorily than the Public Works Department. If the hon. member is prepared to put up a few houses for D.A.R.A.—five-roomed houses, not five-bedroomed, five-roomed houses—for £350 I will do my best to persuade by colleagues on D.A.R.A. to give him a contract for ten houses forthwith. (Laughter.)

I have spent a little time on the Public Works Department because I feel that the facts are not known as well as they should be. I have only one further point to refer to in dealing with the remarks of the hon. Archdeacon Beecher. It is this. He referred to the fact that apparently some of our ladies in Government service have time to spend polishing their nails. Well, sir, I hold no brief for the ladies in question or for that particular habit if it is carried out, as I assume was his contention, within office hours, but I think the hon. member will agree with me on reflection that it is no more harmful to polish one's nails than to sharpen them, especially before a budget session. (Laughter.)

The hon. member Dr. Rana expressed disappointment regarding development at the Coast, and raised the question of roads. As one of my colleagues on this side of Council has mentioned already, you, sir, have taken a great deal of interest in coast development recently and, so far as D.A.R.A. is concerned, I had every intention of paying a visit to the coast and making a fairly comprehensive tour round the Coast Province in October, but unfortunately the rains prevented my intentions from being carried out. I propose, however, to visit the coast with the Consulting Engineer at the first suitable opportunity. The hon. member referred to the question of coast

roads, and in reply I would say that this is a matter that has been engaging the attention of the Central Roads and Traffic Board, on which the hon. member for the coast sits, and I hope that a substantial sum of money will be earmarked for coast roads out of the £850,000 that is recommended for trunk and main-trunk roads in the Development Committee Report.

The hon. member Mr. Patel referred to this same subject, cost of development, and suggested that if this Council sat in Mombasa at times it might enable members to obtain a better idea of what is going on at the coast and of what should be done at the coast. If the idea of this Council holding a session in Mombasa commends itself to hon. members, I am sure that the Government will do its best to make the necessary arrangements. (Heur, heur.)

The hon. Member for Rift Valley referred to the subject of the police, and the point I wish to take up is the question of police housing. He described the housing conditions as wretched. As I have mentioned already, the amount of money recommended in the Development Committee Report for housing generally is inadequate. So far as the Police Department is concerned, the amount is only £175,000, and as I mentioned before, hon. members at this time last year the programme that had been drawn up by the Commissioner of Police was somewhere near the two million mark. It is quite obvious, therefore, that the sum of £175,000 will merely touch the fringe of this problem and, as I have mentioned earlier, I hope that if there is going to be any generous hand-out from the hon. Financial Secretary's surplus on this year's working it will go to D.A.R.A. in order that we may be able to find additional money for a department such as the police and in order that we may be able to house the police more adequately than is possible at present.

The hon. Member for Ukamba suggested that D.A.R.A. should make greater use of the ex-askari. D.A.R.A. has every intention of making use of such men. This is a matter I went into with the Director of Training several months ago. I have been into it again recently to see what men he could spare for D.A.R.A. in order to establish building teams in some of the out stations for our building programme, but the last

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information I received from him was that his men were being snapped up so quickly by private employers at the present time that he has not had time to establish such teams. It is a point that we shall have to go into when the present demand for these men slackens off a little.

Coming to the remarks of the hon. member Mr. Mathu, I must admit that I have a good deal of sympathy with the point he made, that the African should get praise and encouragement when he deserves it. We are inclined at times, I think, to underestimate the contribution that the African makes to the work and to the development of this country, and I was very glad to hear that point of view expressed this morning by the hon. Commissioner of Inland Revenue. There can be no doubt, of course, that at times the output of individual Africans or groups of Africans could be much higher. That is a point of view which has been expressed often in this Council. I do not attempt to deal with it at this stage; I merely wish to make the point that we should appreciate a little more than some of us do that the African is taking a very prominent part of the work of this country. The Hon. General Manager of the Railways made the point in the course of his interesting speech that there is a tremendous latent force for development in the African people. I agree with that entirely. There is in the African people a tremendous reserve potential, and if they could make good use of that reserve potential not only would they increase the national income and their own share of the national income, but they would do a tremendous amount to develop the country in the way we are all anxious to see it developed.

The hon. member Mr. Mathu also made the point that the African would work better in many directions if he knew the whys and wherefores. I agree with him on that point too and, as all hon. members are aware, the Development Committee has made several comments and recommendations which should help towards the African understanding of whys and wherefores. I refer to the sections dealing with ordinary education, mass education, social welfare, and so on, and if these various recommendations are implemented, as I hope

they will be, it should be possible for the African to make greater use of his reserve potential, his latent force for development, and in that way help towards the development of his country and his own advancement.

I do not propose to do more than touch on one further point in the speech of the hon. member. He spoke about roads in local native council areas, and remarked that £75,000, the amount recommended for this purpose in the Development Committee Report, would do very little. That remark shows how our ideas change in the course of a few years, and that the more familiar we become with money the less we realize its value. I pointed out how the hon. member Archdeacon Beecher thought that the recommendation regarding the provision of £800,000 for education was niggardly in the extreme. Now his colleague says that very little can be done with £75,000 for roads in local native council areas. It is interesting to recall that not so many years ago this colony was endeavouring to obtain a loan of £150,000 for its main and trunk roads, and if we had obtained that sum at that time we should probably have been very well satisfied. I have been into this question of roads in local native council areas already with the hon. Director of Public Works and provincial commissioners, and I have asked the provincial commissioners to send me a list of the various items of improvement and reconstruction they recommend in order of priority. I can assure the hon. member that once we get these lists and once the Central Roads and Traffic Board decides on the main order of priority, we shall be able to do quite a considerable amount with this sum of £75,000.

I now come to the speech of the hon. member Mr. Patel. I do not propose to take up the time of the Council in dealing with his remarks that not much is provided for the African, section of the community and still less for the Asian section. That point has been taken already. I intend, however, to say a word or two about the question of the proposed technical institute raised by the hon. member.

The hon. Director of Education has already said that preliminary investigations are being made into this project. I think all of us who have to deal with



(Sir Gilbert Rennie)

This project know that there will be a good deal of preliminary work to do before we have a detailed plan. No detailed plan appears in the Development Committee Report, and it will take some time to prepare one; but, so far as D.A.R.A. is concerned, once it gets the detailed plan it hopes to push on rapidly with the work. But when we talk of technical institutes and the necessity for such institutes, we must not forget that technical training of a rather lower type is provided at the present time for Africans at the Kabete training centre, and I think all hon. members realize the value of the work that is being done there. At present that centre deals with ex-soldiers only, and in the course of a year or two those ex-soldiers will all have been trained. The question will then arise of carrying on the good work for African youths, who are civilians. It is obvious that when we have a very good staff as we have at the depot, a staff it is very difficult to obtain at the present time, we must see that they are retained for the work that lies ahead of them, once the ex-soldiers have completed their training. Government, therefore, proposes to offer permanent appointments to those instructors who are at present under contract, to such instructors at least as desirous permanent appointments and are considered suitable for such appointments. In that way we hope to ensure that the depot will carry on on a satisfactory basis as a depot for training civilian youths when the ex-soldiers finish their training.

I do not want to frighten hon. members by pulling too many hidden commitments down my sleeve, but I trust they realize that we have no provision in the ordinary recurrent estimates for carrying on this depot at the present time. The provision appears in the ordinary Budget under War Expenditure Extraordinary; when we take it over as an ordinary civilian commitment we shall have to find the necessary recurrent money.

The hon. member Mr. Patel referred to the inconsistency between the first paragraph on page 224, Volume II, of the committee's report and paragraph 100 (a) of Volume 7, Paragraph 100 deals with the question of education, and the hon. member's point was that the two

paragraphs are not compatible. Well, the paragraph to which he referred in Volume II is, of course, the work of one of the sub-committees, and there the reference is to the aim, the objective, the ultimate objective, of Government. The particular principle to which he refers in Volume I is, in the opinion of the Development Committee, one of the means of obtaining that end and, in my view, there is nothing incompatible between the two expressions of opinion.

He quoted page 7 of the Woods Report to show that the Development Committee had not acted very wisely in the paragraph 100, to which I earlier referred, inasmuch as in sub-section (a) of that paragraph was the recommendation that each community, or at least the European and Indian community, should bear the cost of its own education, whereas Sir Wilfrid Woods had said that if new special education taxes are introduced in Kenya they seem likely once again to prove to be illusory devices for making the communities pay. I do not want to labour the point, but will merely say this, that there is no suggestion in the Development Committee Report of any special education taxes. They were tried in the 1934-35 period. If I remember rightly, and they were not found to be successful. What the Development Committee has suggested is expressly set out in paragraph 100 of its report, and I need not read the various recommendations. The short suggestion is, however, that the various communities, Indian and European, should, by subscribing generously to a local loan, provide the Government with the necessary money to pay for capital expenditure, and that, by adopting a proposal somewhat similar to that mentioned by the hon. Member for Kambu, the communities should pay fees which will largely cover the recurrent cost of education. I mention this because I do not wish there should be any misunderstanding on this question raised by the hon. member Mr. Patel. The Development Committee has not suggested special taxes for education.

There is only one further point in connexion with his speech to which I wish to refer, and this is the question of the notice appearing in the Press the other day regarding D.A.R.A. staff recruitment in South Africa. The hon. member protested against the proposal to recruit

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clerks and artisans, and suggested that we should recruit such men from India if they were not available locally. Well, I am happy to say that before the consulting engineer to D.A.R.A. left we found we could get all the clerks we needed, locally. So far as artisans are concerned, I should like to emphasize that the type of men that Colonel Evans is specially out to get in the Union is not the artisan in the ordinary sense of the term. It is the type of man we want so badly in this country, such as building foremen and overseers, road foremen and overseers and plant operators. D.A.R.A. has been trying for twelve months to fill up these vacancies for men of that type, and it has not been able to do so. That is why the consulting engineer is trying to recruit these men in the Union, a certain number of them, and we are also trying to get a certain number in England. I made inquiries on that subject when I was there in September.

As regards the suggestion of the hon. member to recruit such men in India, he will perhaps recall that some two years ago when we sought the assistance of the Government of India to recruit some sub-surveyors for the Public Works Department, we were politely told that the Government of India did not favour selective Indian emigration to countries into which immigration of all classes of Indians is not allowed, and that therefore the Government of India was not able to help us.

Now I should like to say something about the speech of the hon. Member for Uasin Gishu and his attempts to obtain glass. I received the impression from him that he had not been able to obtain any glass. Actually, after I had made some inquiries, I found he had got a case of glass from one firm. I understood, however, when I put the point to him, that what he was complaining about really was his first attempt to get glass from another firm, so I turned in that direction. A rather curious tale was told, and I do not vouch for it at the present time because my inquiries have been rather hurried. But I was told that this firm declared that it had sold the glass on the hon. member's permit to the Eldoret firm to whom he had given the permit. That looks like an interesting row some-

where, and I think I will leave the subject of glass until I have time to go into it further with the hon. member, but it looks as if a little unravelling will have to be done.

On the subject of glass control, I could say a good deal, but I do not propose to do so. I merely say that I am not completely satisfied—I am not sure whether this comes under the hon. Financial Secretary or not—with the way that glass control is being administered at present, and the Glass Controller has recently made several suggestions for improvement. The suggestions will, I regret to say, mean more money, and no doubt we shall see whether the result will be worth the money.

I regret to say that the hon. Member for Nairobi North is ill to-day; that is why he is not here. He raised one or two points, however, with which I feel I ought to deal. He regretted, for example, that the last five speakers on the bating order were all Government speakers, and I think there are one or two things to be said in explanation. The hon. member had no objection, of course, to the hon. Financial Secretary replying to the debate. In view of the fact that the motion covered the Development Report as well as the Draft Estimates, there is some reason for myself replying to the debate. That deals with two of us. So far as the hon. Attorney General is concerned, it is normal for the Attorney General to reserve his remarks since they are usually somewhat technical in nature, until hon. members on the other side of Council have put all their legal points to him: It might be, if the Attorney General had spoken earlier and more legal points had been raised thereafter, that some hon. member on the other side of Council would have expected me or the Financial Secretary to deal with legal points. That, I suggest, would be rather unfortunate. Now we are left with two speakers. The hon. Commissioner of Inland Revenue is one, and I think that, on reflection, the hon. Member for Nairobi North will agree that in a debate of this sort, when income tax has been discussed so much, it is only fair to hon. members on the other side of Council that the Commissioner should reserve himself until he has heard all the points from the other side and is able to give a reply. The last



[Sir Gilbert Rennie] little boy, if I may so describe him, is the hon. Member for Health and Local Government. He was reserved among the last speakers really out of courtesy to the hon. Member for Nairobi North himself, to deal with the subjects in which the hon. member is chiefly interested. I thought it would be appropriate if he was there to answer any questions raised. Normally, he is rather higher up in the batting order, and no doubt in future years, as has been the case in the past, we shall be able to arrange a batting order which will satisfy the hon. Member for Nairobi North as well as the other members in this Council.

He raised a question which was also raised by the hon. Member for Mombasa, of the Economic and Commercial Adviser having a seat in Legislative Council. Well, there are many advantages in that proposal and in that arrangement, and all I need say at the present time is that the Government will take the necessary steps to appoint the Economic and Commercial Adviser when a suitable opportunity arises.

I think I should express my gratitude to the hon. Member for Nairobi North for his very colourful defence of the Development Committee Report. I trust that after his exposition on colour the two hon. members representing native interests will have recovered both their colour sense and their sense of perspective. (Laughter.)

One or two further points and I am done: I have taken long enough as it is. The hon. member referred to the Public Works Department, and I have dealt with that already, but he made a point as regards buildings in rural areas to which I should reply. He suggested that a shorter life and a cheaper standard for buildings should be adopted in urban areas. That exactly is what D.A.R.A. intends to do, and, as hon. members are aware from the Development Committee Report, the intention of D.A.R.A. is to recruit a brick making expert who will organize brick making in various out stations where D.A.R.A. work has to be carried out. I am happy to say that we are on the point of getting that expert, and I hope he will arrive within the next few weeks and so enable us to proceed with that particular proposal. But there

is no intention on the part of D.A.R.A. —I would repeat it—to put up pavers in bronze in any of the out stations.

One further point so far as the hon. Member for Nairobi North is concerned. He told us that in the course of his inquiries about what was done in connexion with soil conservation proposals, he had found a very long channel through which proposals proceeded up to D.A.R.A., and he said they no doubt drifted down as slowly and in as roundabout a fashion. I do not know what type of soil conservation proposal he was referring to. If he was referring to some type of soil conservation work which is within the ordinary soil conservation plan, either in the native areas or in the settled areas, that could be carried out by the people on the spot, by the agricultural officer or the district commissioner, as the case may be, and the assistant soil conservation officer, without any reference higher up. If, on the other hand, he was referring to soil conservation measures that form part of those reconditioning proposals which are engaging so much of the attention of my hon. friend the Member for Agriculture at the present time, I think it must be realized that those reconditioning proposals cover much more than soil conservation. The question of water supplies comes into the picture, the question of clearing bush and many other things of that type, and it is obvious that one part of the proposal could not be proceeded with without some reference to the people who are trying to prepare a complete plan. So far as the channel is concerned, there need be no unnecessary delay in the upper parts. When the plan is passed by the African Settlement and Land Utilization Board, the approval after that takes very little time. So far as D.A.R.A. is concerned, it holds the purse-strings and it does not quibble about schemes that are obviously sound, and it does not delay proposals through going into details unnecessarily.

I think I have come to my closing remarks as regards the comments of hon. members on the other side of Council. I should like to finish where I began, and that is to make this point. We have in the development plan put forward by the Development Committee a framework within which we shall be able to build

[Sir Gilbert Rennie] within the next nine years—the remaining years of the plan. So far as D.A.R.A. is concerned, it finds that the preparation of this plan has greatly expedited its work and greatly facilitated its work. I have made the point already that in trying to implement this plan we must ensure two things. The first is that we have the necessary money for capital expenditure. That we have in the Development and Reconstruction Fund, although, as I have pointed out already, not in sufficient quantity. The other point that is necessary is a close tie-up between the capital expenditure and the consequential increases in recurrent expenditure that must be provided in the ordinary estimates. If the plan is given this two-fold support and if, as has already been said, it receives the full co-operation of all races in the colony, then I can see at the end of the period covered by this plan a very distinct advance in this colony; an advance that we all very much pray for. (Applause.)

MR. TROUGHTON: Your Excellency, at the outset I should like to say that the Government very greatly appreciates the sense of responsibility which has been displayed on all sides of the Council during this debate. The circumstances have perhaps been conducive to an atmosphere of immoderation and to hard words and to bitterness, but there has been none of that. The demands which have been made, although perhaps illogical and certainly unreasoned, have not on the face of them been unreasonable and they have been put forward, I would say, in a manner which augurs well for the future of this Colony, and the Government is grateful to all my hon. friends opposite for their attitude.

This has been a very long debate—perhaps a record in this Council—and if I were to attempt to cover all the various points raised by hon. members which concern me I should have to speak for a very long time. I will be long enough as it is, but I propose only to deal with the more important, and if there are any which I omit they can be dealt with at a later stage.

First, Controls. I am dealing with this rather than my hon. friend the Deputy Chief Secretary for, although he is Chairman of the Advisory Committee, I

for my sins, am responsible for policy. I should like to associate myself warmly with the remarks of the hon. member Dr. Rana when he said: "I am fed up with the whole lot of them". So am I (Laughter.) They make heavy demands on my time, and they are a constant source of worry, anxiety, headaches, and what not. First of all; I would refer to Imports Control. When I opened this debate I said that anyone who thought or suggested that Imports Control should be abolished did not know what he was talking about, and with all respect that applies to my hon. friend Mr. Thakore. We have been able, however, during the last few months particularly, to achieve a considerable degree of relaxation in respect of imports from the sterling area. For legal and constitutional reasons which I cannot go into now, it is not possible to eliminate the control of imports from the sterling area, but we have done a very great deal to simplify procedure. As regards imports generally, the whole question was recently discussed by the East African Production and Supply Council, and as a result we have decided to relax the principle of past performance in respect of imports, with the exception of textiles and jute. This relaxation does not mean that import licences will be issued freely. They will still remain subject to currency consideration, but we will be prepared to consider granting import licences to new traders.

The reason why it has been found necessary to retain this principle of past performance—it is a beastly principle, but there is no real alternative—in respect of textiles and jute goods, is that in each case not only is the supply very much less than the demand, but the supply from the exporting countries is limited by export quotas imposed in those countries, and it is not possible to operate an export quota system satisfactorily other than by a limitation of the number of importers. Therefore, I am afraid that for the present, this principle has got to be retained in respect of those goods. As a matter of fact, from our standpoint there is no restriction on them at all. We are only too anxious to get all the cotton textiles and all the jute goods that we can, but it is the restrictions in other countries that forces us to retain those particular restrictions here. But the

[Mr. Troughton] general relaxation of past performance in regard to Imports Control will come into force with effect from the new year.

Cases have come to my notice where goods ordered without import licences have rolled up at Kilindi. Now, much as I dislike Imports Control—and we all hate it—as long as it remains the law of the land and I am responsible for its administration, steps will be taken to see that it is enforced. If goods which should have them come in without import licences they will be confiscated, and foreign currency will not be allowed to pay for them, and the importer himself may well find himself in the position of not being able to get any more licences.

Price Control. There was a very great deal in what my hon. friend the Member for Trans Nzoia said about Price Control, but I must disabuse him of one misconception. He criticized the percentage of profit permitted to certain importers, or the importers of certain goods and wholesalers, and argued that they were high and kept up the cost of living. Now, the fact is that the margins to which the hon. member referred are the maximum margins permitted, and any importer or wholesaler is at liberty to sell his goods at less than the permitted margin. (Laughter.) Yes, it is quite true. (Laughter.) They do not do it now, but they could. (Laughter.) If Price Control were abolished, of course, the effect would be that prices would go up because importers, being human, would naturally get the biggest margin of profit that they could. The best way, I think, to meet the hon. gentleman's point is to achieve a downward revision of the percentages, and I have asked the Price Controller to examine the matter.

The hon. member Archbishop Beecher raised a point about Price Control allowing a profit on customs duty. Of course I do, for the reason given, by the hon. Member for Nairobi North. When a merchant buys goods he has got to pay the full cost, including the customs duty, and he is entitled to a profit on his capital outlay. I do agree with the hon. Member for Nairobi North and the hon. Member for Usigu Githu when they said that we ought to remove Price Control on a number of real luxuries, and steps are being taken to see that that is done.

That will not mean any saving in the cost of the Price Control Department, but what it would mean is that more energy would be available to devote to the activities of black marketers in essential commodities. (Hear, hear.)

The hon. Member for Rift Valley asked me for a fireside chat on the subject of the Overseas Purchasing Division. I am not going to talk about it length, but it is quite true that in the Colony's balance sheet a total of £1,900,000 or thereabouts, appears as a liability. The fact is that the Government really acts as bankers to the Overseas Purchasing Division, and the bank balance arises in two ways. First, certain payments are due by the Overseas Purchasing Division to the United Kingdom Government in respect of past transactions, and secondly, deposits are made with them by merchants in respect of cash purchases. Therefore, the money so deposited lies, as it were, in the bank to the credit of the Overseas Purchasing Division until it is required. What does it do? It was originally started when lend-lease was started some years ago. The United States Government at that time would only recognize one importer, namely, the Government, so we had to set up this division to deal with lend-lease imports. Subsequently, a number of things could only be purchased in the United Kingdom and elsewhere by the Governments and not through commercial channels, and the Overseas Purchasing Division dealt with them. It has been self-supporting, because a small administrative charge has been levied to cover costs.

My hon. friend the Member for Rift Valley also asked about the Industrial Management Board industries. Government policy in this matter was announced about a year ago. Briefly, it was stated that it was not the intention of the Government to continue to operate these industries as government industries indefinitely, and that eventually their disposal would be governed by two objectives. First of all, to recover for the taxpayer as much as possible of the capital the taxpayer had put into it, and secondly, and perhaps even more important, to ensure that those industries were carried on under circumstances conducive to permanent success. We went on to say that there was at that time insufficient information either to enable the

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Government to gauge the value of the plants to a trader, or for the trader to get sufficient information to make an intelligent tender. Consequently, we decided to leave the matter over for a period of two years. That still stands, and the whole question will come up for review towards the end of next year.

While on the subject of industrial development, one of the major difficulties, of course, is fear of uneconomic competition. It arises in connexion with textiles to which the hon. member referred; it arises in connexion with cement, because cement is manufactured in this country; and we have for long had under consideration an inter-territorial system of industrial licences, and I hope that proposals for legislation will be put before this Council tolerably soon.

Turning to one particular industry for a moment, because it was raised by the hon. member Mr. Mathli, the dried vegetable factory at Karatina, this factory rendered a notable public service during the war, and it is clearly desirable that, if at all possible, that factory should be continued in time of peace whether on a commercial basis or on a Government basis or on a combination of the two. During the early months of this year, when I was on leave in the United Kingdom, I made every effort to interest leading commercial firms in this, and I failed in the end because no one could find an adequate market. Latterly, we have been pursuing inquiries through another commercial firm which has branches all over the world, and so far these inquiries have proved completely abortive. On the face of it, it looks as if that factory will have to close down at the end of the year for the lack of a market, unless a miracle happens. It would be a thousand pities if it did, but I must say the outlook is gloomy.

The hon. member Mr. Nathoo raised the question of the secondhand-motor vehicle control, and said it should be removed. To that I am afraid I am inflexibly opposed in present circumstances. The fact is that there is an acute shortage of motor cars, and that shortage will undoubtedly continue for some time. The result is that people are willing to pay a very high price indeed for secondhand cars. Let me give two ex-

amples. One hon. member of this Council, an unofficial member, sold a car recently for round about £360, the control price. After he had completed the deal, his clerk came to him and told him that he had a buyer willing to pay £675—about £300 more! At the other end of the scale, I know of a case where the control price of a small car was £47. The owner sold it in the black market for £70 and skipped the country! Those are both recent examples within my personal knowledge.

The hon. member Mr. Nathoo may say "Why not? Let the price rocket up. Who cares?" Kenya is a country, unlike the United Kingdom, where the possession of private transport is in many cases quite essential. It is essential for many people who are on small salaries but who may have important jobs. Take the case of an assistant agricultural officer, for example. If the control of secondhand cars were removed, there is no doubt that prices would rise to such an extent that cars would be entirely outside the means of that type of person, with consequent detriment to the country. I know there is a black market, we all know that, and it is a disgrace that there should be one, but fortunately there is also a white market, and people can, in fact, get cars, with luck, at the control price. I have consulted with my hon. friend the Commissioner of Inland Revenue and the motor trade—he comes into the picture as Motor Vehicle Controller—on many occasions, and we have tried to devise a watertight system for stopping these black market transactions in cars, and we have now arranged to make rather more free use of the requisitioning procedure, and I sincerely hope it will result in the stinging of many would-be black marketers.

The hon. member Mr. Nathoo and various other hon. members raised the question of the purchase by Africans of considerable numbers of lorries without any assurance that T.L.B. licences would be given, and I answered a question on the subject yesterday. This is a matter for which I am personally responsible. The reply I gave was characterized as unsatisfactory, and it was in that it disclosed an unsatisfactory position. I admit it. The facts are these.

A little while ago I was approached by the military authorities who were very

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perturbed—very angry, in fact—about the rate at which surplus military lorries were being taken up in this country. They were not satisfied that the market was saturated, and they therefore proposed to hold an auction of 500 lorries in Nairobi to test the market. I can conceive no greater danger to the African than an auction of this sort. Prices rocketed—there is always a bit of fever at an auction—people would have bought lorries blindly without having the foggiest idea as to whether they would get a T.L.B. licence or not, and the whole of the motor trade would have been disorganized. The alternative to an auction might have been complete decontrol of the lorries. We decided against that, because although lorries were in plentiful supply at the time, the supply might subsequently have become scarce, and in fact it has. So we decided, and the military only agreed with the greatest reluctance, to abandon this idea of an auction, and to instruct the Control administratively to issue permits freely but to warn every individual customer that there was no guarantee that he would get a Transport Licensing Board licence and that he could not run or carry passengers without one, to print that on each purchasing permit, to put it in the Press, to tell all District Commissioners about it, and to ask all members of the motor trade to warn all applicants. Frankly, I really do not know what more the Government could have done. We realized the probable consequences, but the probable consequences of an auction would have been infinitely worse. The African, of course, proceeded to ignore these warnings, to chance his arm, and to buy lorries.

It is utterly impossible for the Transport Licensing Board to grant licences to all these people because they would disorganize the co-ordination of transport in the country, though they still deal with applications sympathetically. These people still have their lorries, and many are faced with the question of disposing of them, and that is where, I think, difficulties can be and are being surmounted. They can be and are being dealers if they can sell back to find buyers who can get Transport Licensing Board licences, but I have an assurance from the motor trade that they

are prepared to, as it were, marry these people who lorries without licences to the number of applications that are unfilled is still very great so there is no reason why any of these people should be saddled with unsaleable and unusable lorries. The supply position has become much worse recently, and the military are not releasing, and administratively we have now taken steps in view of these recent circumstances to close down completely on the issue of permits, except when an application is strongly recommended as vitally essential by the Transport Licensing Board. That should clear up, I think, the mess in so far as members are shaking their heads, but I think it will. There is nothing strange really in what has happened. All we did was to remove the war-time control for the time being. In time of peace anyone could buy a lorry in any motor shop and then it was his *shauri* afterwards to get a Transport Licensing Board licence, and we simply adopted that procedure because at the time we appeared to be faced with a plethora of lorries. But there is no doubt that these people will not have difficulty, if they go about it in the right way in disposing of them, and if there is any difficulty, I shall be glad to do what I can to help out difficult cases.

**Cereals Pool.** The hon. Member for Rift Valley asked about the financial side of this, and whether these profits could be used for subsidizing famine relief. The Pool has made no profit, it has made a loss. The loss has been due in the first place—The hon. member wanted to interrupt me, sir, I do not know if I got him correctly?

**MR. TRENCH:** I said were used, you said could be used.

**MR. TROUGHTON:** Not been used. There never have been any profits on the Pool, and I am afraid never will be. The Pool made a loss in the early days through the importation of cereals, and lately it has been making a loss because of the admixture and high-priced cereals, and the real problem is the apportionment of the loss among the participants in the Pool. That is a matter for inter-territorial negotiations, and we have not succeeded yet in reaching a settlement even in respect of the 1943-44 Pool.

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though I can assure hon. members that we have been at considerable pains to try and safeguard the interests of the Kenya taxpayers. If not, there would have been a settlement some time ago. Frankly, I would rather argue with the elected members over taxation than with Financial Secretaries of other territories over the apportionment of Cereals Pool losses. (Laughter.)

Maize Control is quite different. That is a Kenya organization, and financially its only connexion with the Cereals Pool is that it acts as agent for the Pool. The Maize Control has, of course, made profits in the past, but there has been a complete reorganization of its finances this year. Such things as planting grants to maize farmers, bonuses for early deliveries, and the cost of admixture of high-priced cereals, were in the past met from revenue, but now they are met from the Maize Control, which is right and proper, I submit, because they are in fact part of the cost of the maize to the consumer. The price to the consumer has been increased, and that increase will not be sufficient, and we will be faced with the alternatives of a further increase or a further subsidy. In any event, we can see no prospect of Maize Control profits for next year. The profit earned in the past has been placed on deposit. The Standing Finance Committee last year discussed the question of the disposal of this Maize Control profit, but that has not yet been settled because we have not yet had the necessary statistical information to enable us to make an intelligent decision.

The hon. member Mr. Patel spoke at some length on the subject of rice, and asked what steps Government had taken to secure reasonable importations. I do not want to go into the story at length, it is a long one, but I can say that we have in fact taken every possible step we could. We have been on to London by telegram again and again, and I hope that it will be possible for something of the order of 1,000 tons of rice to be imported into East Africa from Nyassaland during the next few months, though we had better not believe it until we actually see the rice arrive! I can assure the hon. member that as soon as supplies of rice are sufficient, the issue of rice to adult

Asians will be restored, if only on a reduced scale.

Now I turn to matters more closely connected with the budget.

In considering the budget we have got to bear in mind our reserves and our contingent liabilities. The hon. Member for Rift Valley suggested that we had hidden reserves. Unfortunately for the Financial Secretary, the Government cannot work on the same basis as a commercial firm, not even as a commercial firm of which the hon. member is the leading luminary—not that I am making any suggestions against that firm. But it is one of the duties of the Government Auditor to ferret out everything, examine the whole accounts, and insist that everything hidden must be revealed, and his report is laid on the table each year, and we have no option about it. The hon. member will know from recent correspondence how meticulous Government accounts are and should be. It is essential in looking at our reserves to keep our contingent liabilities in view. And that is the main reason why, I think, it would be wrong to adopt the suggestion of the hon. Member for Nairobi North and use the 1946 surplus to finance the 1947 expenditure, for our reserves, whatever the surplus will be, are inadequate in relation to the contingent liabilities. The hon. Chief Secretary has told us how he is in the front line of those who want to raid the reserves, and good luck to him!

Provision in this report is made for considerable recurrent expenditure. It is not now a contingent liability, but will become an actual liability, at least I hope it will. The provision for education is inadequate, for roads, and even the hon. Member for Nairobi North would admit that the provision for loans to local authorities and the Nairobi Municipal Council is inadequate. Yet he suggests we should spend part of the accumulated surplus in financing current expenditure.

Referring to these contingent liabilities, I am sure that looking back I think we are under a deep debt of gratitude to the hon. Member for Nairobi South for his insistence in the past of showing as much as we could of our contingent liabilities on page 7 of the estimates. (Hear, hear.) This year there is one contingent liability and I am going to speak about it at

[Mr. Troughton] length, which cannot be shown on page 7, I refer to the recommendations of the impending commission on Civil Service salaries.

Members of the Civil Service—I am not mincing my words—are extremely browned off and extremely discontented about their salaries. It is my responsibility to advise you, sir, as to the salaries which should be paid and to endeavour to keep down the cost in the interests of the taxpayers, and I know something about this subject. What is the position? The purchasing power of the £ to-day is only about two-thirds of its value in 1939. Only Civil Servants in the junior grades get cost of living allowance, and that cost of living allowance does not pretend to do more than begin to compensate them for the decrease of purchasing power of the £, and Civil Servants in the higher grades get nothing. In my own case, for example, and the case of the hon. Attorney General, we are drawing the same total emoluments, the same total emoluments, as the holders of the two posts drew in 1939 when the £ could buy half as much again as it can to-day—

MRS. WATKINS: On a point of order, have not the salaries just been raised?

MR. TROUGHTON: Yes, but I am drawing the same as my predecessor did in 1939 for all that. He was on the maximum then. (Laughter.)

MRS. WATKINS: That is a quibble.

MR. TROUGHTON: On the contrary it is not a quibble, it is the identical sum of money, and there is not a quibble about that. Every member on this side of Council is to some extent browned off—(MRS. WATKINS: What about this side?)—yes, we are all browned off. (Laughter.) Of the family budgets which were referred to by the hon. Member for Nairobi North yesterday all but one reason is plain. It is almost impossible in these days to find budgets of commercial people which purport to support the hon. member's argument for relief in taxation for the lower income groups. The need for a general revision of the Civil Service salaries is real and clamant. The discontent is not confined to the Police Force nor to the primary teachers,

nor to veterinary officers, nor to the Asian Civil Service, nor to the African Civil Service. The Government hopes that this commission which will go into the whole question on an East African basis will get down to its task early in the new year. But the point I want to stress is that any revision worthy of the name will cost money, which will add considerably to our recurrent expenditure, and represents a real contingent liability which must be taken into account in assessing taxation. If there is no revision things cannot in fact go on as they are to-day, because people will just not stay in the Civil Service. The want to get out is not confined to the primary teachers or assessors or accountants, but many people are staying on solely from a spirit of service to the community, and the sooner we can revise their salaries and get them on a proper basis the better.

I must make the point here that I am not advocating extravagant salaries for the Civil Service, I am not even challenging the contention of the hon. member Archbishop Beecher that we should have an austere standard of living in this country, but I am contending that the labourer should be worthy of his hire and that the hire should be worthy of the labourer, which is not the case to-day. (MAJOR KEYSER: Reduce his income tax.) Not at all, most of them do not pay it—774 do not pay it. (Laughter, and "Oh, oh!") The hon. Member for Trans Nzoia raised an important point—not now. (Laughter.) He raised an important point about the Civil Service salaries. He said that people objected to putting up Civil Service salaries in times of prosperity when they could not readily be reduced in times of depression. I entirely agree with the hon. member, that for that reason caution is required, considerable caution, in putting up Civil Service salaries.

I do not for one moment suggest that Civil Service salaries should be comparable or should be the same as the level in commercial employment. If they were, my hon. friend here, for example, would probably be drawing £3,000 to £4,000 a year—(A member: More.)—with half the responsibility. (Laughter.) But they should be brought to a reasonable level in relation to the pound sterling, and should be brought up to the

[Mr. Troughton] level, I think, which would be accepted by the best people. Making due allowance for the fact that there is an element of security with a pension at the end, it warrants these salaries being materially lower than those paid in commercial employment. In present circumstances, no pension, no security, could make up for the disparity. At the other end of the European scale I know the case of a clerk who was drawing £25 a month in a department with which I am associated, and she was offered and accepted £45 a month by a commercial firm in town, and the head of that firm is one of the most vocal critics of the Government's budget. No, sir, I think we have got to come down to realities in this matter, and I am afraid the recommendations of the commission will all cost money.

The hon. Member for Nairobi North suggested that primary teachers should be dealt with as a special case in advance of the commission. As a matter of fact, there are all sorts of departments which consider, with the greatest reason, that they should be dealt with as special cases in advance of the commission, primary teachers, in fact, are no better or worse off than any other Government department. Their salaries were examined and revised in 1944, and to single them out and adjust their salaries in advance of the commission would merely have the effect of creating far more discontent in other departments than it would cure in the Education Department.

That brings me to the hon. Member for Kiambu, and I make no apologies for turning to her. I did make it clear that when I criticized her in a letter to the Press, I was not criticizing her but the report of her speech, and she knows as well as I do that in this country reports of a speech can differ quite materially from the original. I can best deal with her remarks by explaining as briefly as I can the whole position in regard to this revision of super-scale salaries.

The policy of Government during the war was that there should be no revision of super-scale salaries during the war, but that policy was not acceptable to

the Committee, and they pressed quite hard for the removal of what they considered were a number of anomalies, not all of them but some of them. Under pressure from them certain proposals were agreed at a meeting, and these proposals were agreed to and submitted to the Secretary of State. The Secretary of State refused to accept them, and said "No, you must have a go at it on an East African basis," and he asked Mr. Hill to look into the question. Mr. Hill did, and he submitted certain recommendations. Those recommendations went to the Standing Finance Committee, who accepted some, modified others, rejected others. Then complete agreement was reached except that my hon. friend the Member for Mombasa wanted one of his medical friends to get a bit more. (Laughter.) (MR. NIOU: The post, sir, the post.) He wanted certain medical officers completely unknown to him to get a bit more.

Our recommendations were submitted to the Secretary of State, and came back, and after certain variations complete agreement was reached. If I have got the hon. member's contention (right, it is that these revisions should have been debated in the Legislative Council before any was given to them, and I for one am not prepared to say that she is wrong. The question whether any particular financial matter should or should not be debated in the Legislative Council is one on which the Government would normally rely for advice on the unofficial members of the Standing Finance Committee, and no such advice was tendered in this case. If it had been tendered we would undoubtedly have come to the Council with a resolution. The hon. member was, however, quoted in the Press as saying that the revision had been carried out without any kind of consultation with the representatives of the people who had to pay. That was not so. The first pressure for a revision came from certain unofficial members, and unofficial members representing the taxpayers and appointed to the Standing Finance Committee by resolution of this Council were consulted all along the line. Finally, the revision had nothing to do with the post-war cost of living, but was based entirely on responsibilities and pre-war cost of living.

[Mr. Troughton]

Government accepts in full the condition that in so far as the method of raising revenue is concerned, this budget is of an interim character.

The matter of an inquiry into our national income and expenditure and the incidence of our taxation requires no special emphasis from me. Since the publication of the Development Committee Report we have investigated in some detail the possibility of getting out quickly statistics of the national income, and there is no doubt that an estimate can be produced, but until we have a census the estimate cannot be other than very rough. An inquiry of the type proposed by the hon. Member for Nairobi South would, in the opinion of the Government, be valuable, provided that it is carried out by the people who are really best qualified to carry it out. The Government accepts the principle of such an inquiry, and we will consult with the various unofficial groups as to the terms of reference and the membership of such a committee. (Hear, hear.) I hope that those people who are really qualified and who are invited to participate in its deliberations, will come forward, because I would never advise you, sir, to appoint a committee for an important purpose of this kind which did not contain first class unofficial membership. I would point out that the task facing the committee will be a very heavy one. As I see it, it will involve meetings pretty well every day over a period which may run into months, and therefore involve quite a lot of hard work and the sacrifice of personal interests on the part of its members. I would add that the Government would have no objection to the chairman of this committee being an unofficial. But we must be careful not to have no delusions as to the results, or the sort of results, that such a committee will reach, and I am by no means clear how far it is likely to get us.

It is, I think, agreed that the African pays in a sense round about one-third of the total revenue through taxation. That, sir, is merely a debating point, because if we pursue the argument further, we get into difficulties. If an African buys a *jembe* from a non-native firm, the non-native firm makes a profit of 20 cents on that *jembe*, of that 20 cents 4 cents are paid by the firm

in income tax; then that 4 cents tax has been paid by the African who bought the *jembe*. (Members: 'No, no!') Yes; hear me out! Now just listen! I admit that hon. members are probably anxious to go elsewhere and have some of the stuff likely to be in short supply next year (laughter), but they must listen! The 4 cents has in fact been paid by the African. It is true it is not an element in the price structure, but it is not passed on as cost to the consumer, but the fact remains that it is paid. On the other hand, and here hon. members are right, the African may equally well buy the *jembe* at the same price from another firm which pays no income tax at all, so that in the one case the African buying the *jembe* has contributed 4 cents towards income tax, and in the other, buying the *jembe* for the same price, has contributed nothing to income tax at all. (A member: Where did he get the money from?) From the European farmer or his own labour. (Laughter.) He may even have stolen it. (Laughter.) (Mr. Nicoll: A fallacious argument.) On the other hand, the European farmer may and does pay tax on the results of the labour of his African labourers. Equally, the Africans may be taxed on the result of their earnings from European employers. On this case, has the tax been paid by the employer or employee? I am blessed if I know! But all these difficult questions arise when we come to consider the incidence of taxation.

There is one test of the effect of taxation which we can apply, and that is, having met our obligations to the revenue, have we got sufficient left to have a reasonable standard of living, or has our standard of living been depressed to an unreasonable extent by the burden of taxation? If a man with an income of £10,000 a year pays £7,500 in taxation he has still got £2,500 a year left, and the question at issue, the real question is, has that man sufficient left to have a reasonable standard of living? (A member: No!) The answer is a matter of opinion, sir, the opinion of the £10,000 a year man, and I think I must have heard one of them speak! (Laughter.) The opinion of that man will be that he has not, that his standard of living has been appallingly depressed, but the opinion of the £1,000 a year man or £500 a year man will be that he has still

[Mr. Troughton]

£2,500 and is rich beyond the dreams of avarice. So what conclusions we are going to get I do not know.

The hon. Member for Nairobi South argued that new rates of taxation were a matter for negotiation between the taxpayers and the Government, I can trace no Government statement which implies the admission that that is the case, and of course, it can never be the case. On the other hand, new rates of taxation are matters which should be discussed between the Government and representatives of the taxpayers, and that discussion will take place in the Standing Finance Committee. I hope that it will be possible for at least some measure of agreement to be reached, though I make no promises.

On the subject of native taxation, I must say a word about the hon. Member for Uasin Gishu. He quoted very freely remarks I made last year when I said that we hoped to introduce legislation to provide for an income tax specially adapted to the welfare of the members of the African community. The objections that applied a year ago, the chief of them being shortage of staff, still apply. But on closer examination it does not yet appear that the yield would be very much more than the cost of collection. What is important, however, is to ensure that the rate of poll tax in each district is fixed at as high a level as it reasonably can be fixed, that my hon. friend the Commissioner for Inland Revenue takes steps to collect income tax from every African who is liable to it, and that customs and excise duties on native consumer goods of a luxury character are kept at a reasonably high level, in fact, at the highest level reasonably possible.

It is true that direct revenue from native taxation has been static for a long period of years despite the increase in the population. I am not going to admit that the native population has doubled during the past twenty years. We have heard various estimates from various members on this side of Council this morning and on other days, but I have not the foggiest idea of what the increase has been in the native population, except that it has been substantial. But the increase which has taken place,

or the decrease which has taken place, in infant mortality over the last twenty years would, of course, only now be beginning to affect the adult population. Nevertheless, there is no doubt that despite that, there has been and must have been a big increase in the adult population—(Members: Hoorsay!)—not all that big.

In my judgment the causes for this revenue remaining static are as follows. In the first place, in the past pretty well every district paid a flat rate of tax. It was first a hut tax of Sh. 12 and was later converted into a poll tax of Sh. 14 the belief being that the poll tax of Sh. 14 would bring in about the same revenue as the hut tax of Sh. 12. As various hon. members have rightly pointed out, conditions during the last twenty years have progressively deteriorated in many of the native areas, and in some of these areas the people are so riddled with poverty that it is quite impossible, and it has been held by Government to be quite impossible, to impose the full rate of tax. For example, in Machakos and Kitui the rate of tax has been reduced over a period of years from Sh. 14 to Sh. 9; in North Kamuká it has been reduced from Sh. 14 to Sh. 7; in Samburu it has been reduced from Sh. 14 to Sh. 9, and so the thing goes on all through the other districts too. Reductions in the rate of tax for whole districts have been made, and those reductions have increased over a period of years, and they have to a considerable extent counterbalanced the extra money which should be made available, or which should become available, from the increase in population.

Secondly, even in districts where the rate of tax has not been reduced, the number of exemptions on the ground of poverty has increased. Twenty years ago when I was a district officer in Central Kavirondo we used to reckon on 4 per cent to 5 per cent exemptions of the total. Now, my hon. friend the Provincial Commissioner tells me that it is something of the order of 15 per cent to 20 per cent or thereabouts. Again, in those days it was the custom to collect native poll tax very largely on a group basis. In those days payment was made by groups in this way, that the head of the village would come up and pay twenty or thirty taxes, plunk the money

[Mr. Troughton] down on the table in one payment, and they often paid for people who were at work in non-native areas. In fact, I know that there were in those days many cases of double payments—people who paid themselves in the settled areas where they were working, while uncles and aunts paid for them in the reserve as well. (A Member: True.) True, that. I gather, is very largely a thing of the past. Payment is now made on an individual basis, and consequently there can never be any question, so far as I know, of a double payment, and, in fact, sometimes an individual may succeed in avoiding payment and thus avoid something which a group of ten or twelve or fifteen people cannot.

Perhaps I should mention the point raised by my hon. friend the member for Trans Nzoia, when he argued that Africans were receiving benefits equal to far more than a quarter of the total expenditure. Of course, it is not really possible to divide expenditure on a racial basis. Who, for example, can say in what proportions the three, or four, races benefit from roads? In any event I think the hon. member is quite right. It is a consequence of our fiscal system, it is inherent in the fiscal system of every British territory that the richer members of the community should by taxation pay for services from which the poorer members will benefit. (Applause from Indian members.)

I do not want to say much about the details of income tax because the matter has been covered by my hon. friend the Commissioner, but I must say something. My hon. friend pointed out that if relief from taxation were to be given, and if it was really necessary for relief from income tax to be given, then it would be the duty of the Government to grant that relief. The whole question of the incidence of income tax and our other taxation measures will no doubt be discussed, in so far as we can discuss them, in Standing Finance Committee, and if that committee is convinced that any immediate action is really necessary to avoid hardship, then I hope that it will submit appropriate recommendations in its report for consideration in this Council. On general principles I would only say this, it is argued that the present incidence of taxation is unfair as between

the various races. I do not think that we are justified in arguing that it is fair or unfair in the absence of the full statistical information which we all admit that we need, and therefore I think at this stage care is required, because any material change in the incidence which might be achieved, say by stepping down income tax and stepping up the excise on sugar and tea, might very well, for all we know, make the incidence of taxation extremely unfair. There is no doubt that it is difficult to know what to do in present circumstances, but there is one thing we are quite safe in and that is in saying that the Government is wrong. (Laughter.)

The hon. Member for Nairobi South said that the wearer of the shoe was the best person to tell where it pinched most. That, I suggest, is pushing the simile too far. The point is that if the wearer of a shoe which does not pinch too badly finds that, my making a sufficient song and dance about it, he can get a new pair, or that he stands a chance of getting them, then certainly he is going to exaggerate the extent to which the shoe pinches, and to that extent his representations must be taken with an ultimately big pinch of salt (laughter), and the shoe manufacturer must be very cautious about it! Also, a person who makes a song and dance about his own shoe is quite likely to be deaf to the complaints of other people who are making songs and dances about their shoes, or about the sections of the community who cannot afford any shoes at all and have to go bare-foot. However, we would welcome the fullest investigation of all this in the Standing Finance Committee and later by an *ad hoc* committee, assuming that we can get together a properly qualified committee, and I do hope that everyone who is asked by Government to participate in it will come forward.

I am afraid I have got to mention one point of detail, which will not take me a minute, but the hon. Member for Kiambu nobbled me before lunch to-day and pointed out that my hon. friend the Commissioner of Inland Revenue had failed to deal with one of her points. Actually I think he had, but no matter; I undertook to mention something about it. The hon. lady referred to the view she expressed that it would be fairer to

[Mr. Troughton] the farmer if income tax, instead of being based on the income for the preceding year, was based on the average income for the three preceding years. Well, that is a somewhat hoary one, because it came up in 1943 and it was raised by the hon. member herself and by the hon. Member for Aberdeen, and I find that I made some observations on the subject in reply to the debate in September of that year, in which I pointed out the main objections. I will not go over those objections now and waste the time of Council, but I would mention just two.

It is perfectly true that, other things being equal, the person with a fluctuating income may pay less on a basis of a three-year average than the person with a steady income. In other words, a farmer with a fluctuating income, if there is a three-year average, may pay less than a civil servant or a commercial man whose income is fixed. That is true, but on the other hand . . . the hon. lady is very anxious to interrupt? (Mrs. WATKINS: That is not what I said.) Well, I am sorry, but anyway, she raised the question of the three-year average and that is the particular point she asked me to answer before lunch to-day. The objections to it are that it imposes on the farmer a smaller liability during times when prices and profits are rising, and a very much heavier liability during the time when profits and prices are falling, and a person may be in a position of having made a loss on the previous year and yet having to pay heavy income tax the following year. The whole question was investigated and discussed by a select committee in 1943, on which the present hon. Member for Aberdeen and the hon. Member for Nairobi South were members, and they came to the conclusion that this question should not be pursued.

On the subject of customs duty on imported essential materials, I must draw the attention of Council to the speech of my hon. friend the Labour Commissioner, in which he demonstrated that the only article which seriously affected the cost of living, which was imported, was clothing. What he said was true, and the story was completed by my hon. friend the Acting Commissioner of Customs when he showed the extent to

which the surcharges played a part in the retail price. Admittedly there was point in the objection raised by the hon. Member for Nairobi North, because merchants do in fact charge profit on the surcharge, but even assuming that the profit is 100 per cent total, a surcharge of Sh. 2 would attract a profit of Sh. 2. Therefore, in respect of the surcharge itself, if the payment to Government on a suit was Sh. 2, the maximum relief that could be obtained if the surcharge was abolished would be Sh. 4, and if the duty on cloth, or the price of cloth were reduced by Sh. 4 for a suit length, and the suit cost fifteen guineas, I do not believe that any of the reduction would be passed on to the unfortunate person who has to buy the suit. The remedy, I suggest, lies in an investigation of the charge made for tailoring. The wages of tailors, particularly Asian tailors, have rocketed during the past few years, and I would suggest to the hon. Labour Commissioner that he might well consider whether some steps should not be taken to prevent this inflation in the wages of tailors which is, in fact, having quite a serious effect on the cost of that most essential article, clothing.

It has been argued by the hon. Member for Mombasa that it is quite wrong to incorporate customs duties in the basic tariff. This is a matter which can be discussed when the legislation comes up, and I do not think I need bother Council now, except to say there is nothing sinister about it. On the subject of the tariff, it is the case that Government agrees there is a case for revision. The principles are probably all right, but there is certainly a number of anomalies such as those to which the hon. member Archdeacon Beecher drew attention. We propose, therefore, to instruct the Economic and Commercial Adviser to make a preliminary investigation of the whole tariff early in the new year as a preliminary to a general review by the partners in the Customs Union. This review will be undertaken in conjunction with the new Commissioner of Customs, who, I may say, is an officer of exceptionally long and valuable experience of customs administration.

In conclusion, I should like to say generally that the Government does realize very fully the feelings of the European community generally about



[Mr. Troughton] quite seriously, and I am speaking quite personally and not for Government. I feel that the influence of the Electors Union has been embarrassing. They did not try to ascertain the full facts. They sent an executive officer touring the country and making speeches who did not know the first thing about the facts, and I for one have been seriously worried about a body responsible to no one, so far as one knows, and possessing influence and even power without responsibility. It is for that reason that I would all the more like to pay a tribute to the very responsible attitude adopted by the European elected members during this debate. The history of France might have been different if the French kings had been as successful in resisting the blandishments of their entourage.

This debate has served to emphasize differences of opinion, and differences of opinion as between people who know the facts are reasonable, and we will always have them. Criticism hurts no one, and no Government which is worth its salt could resent it. They may have to resist it, and I hope that when we get together in the Standing Finance Committee this budget will emerge with at least a substantial measure of agreement as to its form. (Applause.)

The question was put and carried.

**ADJOURNMENT**

Council rose at 6.35 p.m. and adjourned till 10 a.m. on Friday, 6th December, 1946.

But, in commenting on this matter—and here I am speaking not for the Government, but as a European citizen who regards this country as his home—I personally have been a little alarmed and so, I think, have some of my hon. friends opposite, about the attitude of the Electors Union. This queer body, I understand, formed a sub-committee consisting of I know not whom to examine the budget. The executive officer of the Union—and I am speaking about the Electors Union because it has been referred to by two hon. members, the hon. Member for Nairobi North and the hon. Member for Western Area—the executive officer told more than one meeting in my presence that this sub-committee had given careful consideration to the budget. Frankly, I do not believe it. The budget is a complicated document, and only those fully accustomed to it can understand it in detail. My officers and I would have been very ready to help that sub-committee by answering questions, but they never asked us one question. If the sub-committee could understand the budget in detail, all I can say is that this country is harbouring potential Financial Secretaries unawares (laughter), and I would say that it is their duty to come forward, because I am told that there is an acute shortage of Financial Secretaries throughout the Colonial Empire! I doubt, however, whether the members of this sub-committee would really fill the bill, because their main effort, as I see it, was to produce a series of resolutions which were manifestly impracticable and absurd, and I am glad to say that in most places the European electorate took steps to amend them so that they made sense. (Laughter.)

**Friday, 6th December, 1946**

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Friday, 6th December, 1946. His Excellency, the Governor (Sir P. E. Mitchell, K.C.M.G., M.C.) presiding.

#### MINUTES

The minutes of the meeting of 5th December, 1946, were confirmed.

#### PERSONAL EXPLANATION

MR. TROUGHTON: Your Excellency, under Standing Rule and Order No. 50 I ask the indulgence of Council to make a personal statement.

During my speech last night in reply to the debate on the Draft Estimates, speaking about Civil Service salaries, I said that in my own case and in the case of my hon. and learned friend the Attorney General we were drawing the same total emoluments as the holders of our two posts drew in 1939. On that statement being challenged I reaffirmed it. Since then, I have taken the opportunity to check up carefully on my facts and I find that my predecessor, Mr. Lockhart, as he then was, had not reached the maximum of his salary scale during the year in question and my statement was not, therefore, correct. It would have been correct if I had said "in my own case and in that of my hon. and learned friend the Attorney General we are drawing the same salaries as the holders of our two posts drew about six years ago, when the pound could buy half as much again as it can to-day".

I must apologize to Council for having made an incorrect statement and I am glad of this opportunity to correct it. (Applause.)

#### HOSPITAL SERVICES (EUROPEAN) BILL

##### SELECT COMMITTEE REPORT

The debate was resumed.

MR. MORTIMER: Your Excellency, the debate on the Select Committee report was adjourned because there was evidence during the course of the discussion of a rather marked difference of opinion on the part of hon. elected members. In order to straighten out the difficulties that appeared to have arisen, the debate was adjourned, and the opportunity was taken to confer. The confer-

ence was held between the official members of the select committee and the European elected members, or at any rate such of them as found themselves able to attend the meeting, which were three, I think, and a discussion took place on the points of difference. The major question raised by the hon. Member for Nairobi North was the provision in the original Bill and in the select committee's report that any proposals for the raising of loans would have to receive the approval of the Legislative Council. The hon. member desired that the Hospital Authority should have a completely free hand to raise loans as and how it could without coming to Legislative Council for authority. His views on this matter were not shared by other elected members, nor by the official members of the select committee.

Another major point raised by the hon. Member for Nairobi North was his objection to the proposal that future capital expenditure on hospital services should be at the charge of the Hospital Authority. His view was that such provision should be a charge against the general revenue of the colony. The hon. member has made it clear that the Government has been unable to accept the views of the hon. Member for Nairobi North and that capital expenditure may have to be met by the Hospital Authority, but the Bill itself contains no final assertion on this matter of principle. After the discussion with the hon. elected members we reached a compromise, with which the hon. Member for Nairobi North expressed himself as satisfied, and before I close it is my intention to move an amendment to the select committee report.

SIR ALFRED VINCENT: Did the hon. member say "dissatisfied" or "satisfied"?

MR. MORTIMER: Satisfied. As I understand that under the rules of debate if I move an amendment I am in fact speaking to the original resolution and am therefore debarred from speaking again, there are two or three other matters I want to mention which arise from the select committee's report. Objection has been raised as to the wisdom of the select committee in deleting any reference to the precise benefit to be obtained by contributors. There is a very good reason for deleting that provision in order to leave the matter entirely



[Mr. Mortimer]

in the hands of the Hospital Authority. I do not propose to deal with that in any detail, as my hon. friend the mover in his reply will refer to that subject. It is important that the benefit provisions should be left elastic until we have had some experience of how the financial position of the Hospital Authority is going to work out.

The amendment I propose to move, which has already been accepted by the European elected members and represents now the considered view of the select committee, has been circulated to hon. members and reads as follows: "That the select committee's report be amended in the following manner:— That paragraph 6 be deleted and the following paragraph substituted thereof: '6. That paragraph (c) of sub-clause (2) of clause 11. be amended by— (a) deleting the word "and" which appears immediately after sub-paragraph (i) thereof; (b) inserting the word "and" immediately after sub-paragraph (ii) thereof; and (c) adding the following sub-paragraph thereto: "(iii) be raised by the Authority under the provisions of paragraph (a) of section 8 of this Ordinance."'

I do not suppose any hon. members have been able to follow that somewhat complicated amendment, so I will explain what it really means in plain language. Clause 8 of the original Bill is the enabling section of the Bill in which the powers of the Authority are laid down. The select committee noticed an omission among those powers: there was no power to raise loans. Funds derived from loans were under clause 11 regarded as part of the funds of the Authority. It was necessary, therefore, to include in the enabling powers of the Authority the power to raise loans. It is proposed, therefore, in the select committee report to add another clause, which is lettered "(a)", giving power to "raise such loans for the purpose of this Ordinance as may be approved by the Legislative Council of the Colony". In clause 11 there is a definition of what shall comprise the funds of the Authority. Sub-clause (2) (c) of that clause in the original Bill said: "The funds shall consist of, inter alia, the proceeds of any loans which may from time to time (1) be raised by the Governor with the approval of the Legislative

Council of the Colony for the purposes of this Ordinance; and (2) be made with the approval of the Governor out of the general revenue of the Colony". Under the amendment which I now propose, both those two sub-clauses will be left in and there will be a further provision: "be raised by the Authority under the provisions of paragraph (a) of section 8 of this Ordinance".

The net result of all that will be that there will be three methods of raising funds on the part of the Authority, other than the revenue which will come by normal Government contributions under the Bill and by the taxation measures which the Bill will impose. These three methods will be: either the Authority may raise loans itself, with the approval of Legislative Council, or the Governor may raise loans on its behalf with the approval of Legislative Council, or the Government may advance out of general revenue funds to the Authority. In all these cases the approval of the Legislative Council is essential, and all the members of the select committee, with one solitary exception, felt that it was essential to preserve intact the prerogative of this Council in dealing with loans to an authority of this kind. The main reason for that seems to me perfectly clear: if a loan of considerable dimensions is raised by the Authority it will be a charge upon the Authority's funds to meet the services of the loan, interest and redemption. That charge may be quite a considerable one and it may be beyond the normal current revenue resources of the Authority. The Authority would, therefore, have to come to this Council to ask for a legislative measure increasing the amounts of contributions from the taxpayers. It would, in my opinion, be entirely improper for the Authority to be in a position to place a pistol to the head of this Council and say "We have in fact raised a loan of half a million pounds, which will in fact cost the Authority £x annually over and above our budgetary provision. Therefore the legislature must pass legislation increasing the taxation". It would, I think, be entirely improper to place the Authority or this Council in that kind of position. Therefore, I feel it is essential that all proposals for the raising of loans should have the approval of this Council.

[Mr. Mortimer]

That brings up the question of the priority of capital expenditure on hospital services being a charge against the Hospital Authority. Whatever may be the propriety of the theory of that provision, the fact remains that we have been explicitly informed by the financial advisers of the Government and by the Development Committee that there will in fact be no funds available for the provision of capital expenditure for European hospitals, other than the major commitments which the Government has already undertaken to carry out. It seems, therefore, highly probable that, unless the Hospital Authority has power to deal with capital expenditure in some way, either from its ordinary resources or from loan funds, hospital extensions and improvements will be held up indefinitely. In order to meet the objections, chiefly raised by the hon. Member for Nairobi North, this amendment leaves the matter an entirely open question. When any loan proposal is raised by the Authority, which will be for some express purpose of capital expenditure, it will come before this Council with a clear statement of what that capital expenditure is, and then will be the opportunity for hon. members to argue whether that is a fair charge against the Authority or whether it should come out of the general revenue of the colony. When a decision is taken on that particular issue I have no doubt that the first case to be decided will set the pace for the future and will determine the principle of whether the Authority is responsible for capital expenditure or not, but with the amendment I now propose the matter will be left an open question for debate when the time arises.

At an earlier stage I did say that the hon. Member for Nairobi North was, I thought, satisfied with that amendment. Perhaps that is going too far. He still maintains his principle in the matter, but he accepted this—as I understand his position—as being the best he could get in the way of a compromise, and he still adheres to his original view that capital expenditure should not in any circumstances be a charge against the Hospital Authority.

There is one other amendment to which the hon. mover made reference in his opening speech, and that is as to the method of constituting the Authority.

The Mundy Committee recommended that the Hospital Authority should contain an unofficial majority. It is important that that should be retained, and that the unofficial members should be appointed by the various hospital authorities which were named and such authorities, as might from time to time be included in the list. The original Bill made provision for carrying out that proposal. The select committee, however, felt it would be wiser if the appointments were left in the hands of the European elected members, the understanding being all along that they would in fact accept the nominations of the individual bodies which were to be given the right to nominate, such bodies as the Eldoret Hospital Committee, the Kitale Hospital Committee, the Nakuru War Memorial Hospital Board (if it decides to come into the scheme), the Kenya branch of the British Medical Association, and other bodies. I have no doubt that some elected member will make a statement on this matter in order to allay the suspicion that has arisen that the elected members have any desire to interfere with the local bodies in the selection of their nominees.

With these remarks, I beg to move the amendment to the select committee report which I have read out.

MR. STACEY seconded.

MR. FOSTER SUTTON: On behalf of the Government I formally accept that amendment.

SIR ALFRED VINCENT: Your Excellency, in speaking to the amendment I do thank the hon. Member for Health and Local Government for the very clear statement he made. In legislation of this nature, which is experimental and can only progress as the result of its working and there has been some experience gained this year, it is essential at this juncture to have a very clear statement from him that there is no principle involved which makes any community responsible for its buildings and/or social services generally without it coming before this Council for ratification. He has referred to the question of the election of members for the Authority, and with your permission, sir, although I have spoken to the original motion, I would like to give an undertaking on behalf of

[Sir Alfred Vincent] the present European elected members in regard to this matter. It is, that in electing the representatives—as a matter of fact we did so yesterday—we used the following terms of a resolution which admit of no misunderstanding: "That this meeting of the European elected members of the Legislative Council of this Colony convened for the purpose, hereby appoints as members of the European Hospital Authority the representatives of the Kenya Branch of the British Medical Association, the Nakuru War Memorial Hospital Board, the Eldoret Hospital Board, the Kilale Hospital Board, and Mr. X as representative of the European Elected Members".

I am glad that you have permitted me to make that statement, that does clear any possible misunderstanding which might arise among the already constituted bodies who have carried out this fine work, and it will make it quite certain that we shall in fact accept their nominees.

I am very glad that this Bill is being dealt with to-day, and to have had confirmed that there is no new principle being either expressed or implied and that any new principle which is suggested as the outcome of the work of the Authority must come before this Council for ratification.

Mr. NICOL: Your Excellency, I am not going to oppose this amendment, and I am not going to pursue the passing of this select committee report, but I do want to underline one remark made by the hon. mover of the amendment. That is, this question of the amendment, finding they have not got sufficient revenue to pay the interest on any loan they raise, they will have to put up the contributions from the public. In other words, the old, old game of pushing up a form of income tax. It ought to be put on record that that warning has been issued, that the continuity as a whole have asked for this measure, and naturally must have it, but I think that that warning must be down on record.

Mrs. WATKINS: Your Excellency, I rise to support the amendment, and would also say on behalf of the women of the country how very glad we are that this measure is now going through. I think that for the women it is one of

the greatest measures that has been introduced, because on us chiefly falls the burden of those economies that have to follow sickness in a family. We are very grateful to the committee which has done all the work and put the measure through with this excellent amendment, and we thank the hon. member sincerely for all the work he has done on behalf of the women of the country.

Mr. COOKE: Your Excellency, while supporting the amendment, I must protest against the irregularities that are creeping into the procedure of this Council. The object of a select committee is, I understand, to expedite public business. In accordance with that, this Bill was referred to a select committee, of which the hon. Member for Nairobi North was a prominent member. I contend that if he had any objection he should have, instead of signing this report, put in a minority report instead of as a dissident member protesting when the acceptance of the select committee came before Council. If this procedure should continue there is nothing to prevent another member who has signed the report rising and saying that he wants to make some other point, and then the matter will again be referred to the select committee. Actually, I contend, and will contend this with the hon. Attorney General, that once a select committee—and this is not a quibble—has reported it is *functus officio*, and has not the right to consider the matter further, having signed, sealed and delivered its report. There is an old maxim, there must be an end to litigation, but if we go on all the time referring matters already dealt with to select committees it is bringing this Council, as I attempted to show in my motion three weeks ago, into contempt. I do contend that we must be very strict in keeping to the letter and spirit of our rules, especially in the plural society of which this Council is composed, otherwise we shall get into no end of trouble before many years have passed.

Mrs. WATKINS: On a point of order, the hon. member is continually using Latin—under Rule 45 a debate has to take place in English. (Laughter.)

Mr. COOKE: I thought my hon. friend was educated—I must apologize for the misapprehension! (Laughter.)

HIS EXCELLENCY: The point raised by the hon. Member for the Coast will be dealt with by the hon. mover when he winds up the debate.

The question of the amendment was put and carried.

Mr. TROUGHTON: Your Excellency, speaking to the substantive motion as amended, there are one or two points which were raised in the debate before the adjournment which require, I think, a few observations from me.

In the first place, the hon. Member for Nairobi North drew attention to Standing Rule and Order No. 32, the effect of which, in a nutshell, is that no money resolution shall be introduced in this Council without the consent of the Governor. It is most unusual for any money resolution ever to be vetoed, but I cannot conceive that the Governor of the day would refuse his consent to a discussion of a motion sponsored by the European elected members in relation to the hospital fund, which, when all is said and done, is not a measure imposed by the Government on the European community but a measure which has been introduced at the express wish of the European community.

Again, the hon. Member for Nairobi North did ask for an assurance that the Government's contribution to the Hospital Authority under clause 13 of the Bill should be subject to review. I am happy to be able to give him an assurance that that clause will be subject to review in the same way as any other financial clause of the bill, and certainly will be reviewed in the light of experience gained in the working of the Authority.

On the question of capital expenditure, the matter has been fairly fully explained, that is Government's attitude, by the hon. Member for Health and Local Government this morning, and I will just make the point that the Government has not in any way closed the door to the incurring of further capital expenditure on European hospitals. All that we have done is to say that we see no prospect of funds being available during the next few years for new capital expenditure apart from that to which we are already committed, and therefore it is desirable that the Hospital Authority should have power to borrow.

The hon. Member for Mombasa, in speaking to the debate before it adjourned, raised the question of the contractual obligations in regard to hospital treatment of members of the Civil Service. He seemed to think that members of the Civil Service were entitled to free hospital treatment. Actually they are not, but what they are entitled to is hospital treatment for which they pay fees on a sliding scale based in accordance with their salaries. There is no doubt that, under this bill, they will lose something, because it is intended that they should contribute to the fund as citizens of the country in accordance with their incomes. I have no doubt that many commercial firms are in much the same boat. This Bill does not attempt to cover relations between employer and employed, and a settlement of relations between employer and employed is a matter for negotiations between the two once the Bill has been enacted.

There is no doubt at all that the Government will find it necessary to provide some measure of compensation to those of its servants who lose something under the provisions of this Bill, just as private firms may find it necessary to do the same. That compensation is a matter for negotiation in the first instance, and as soon as proposals have been formulated in consultation with the European staff they will go to the Standing Finance Committee for consideration in the ordinary way. They have really nothing to do with the Bill, but it is a matter to be tackled, and will be tackled, administratively, as commercial firms will no doubt have to tackle the same problem.

I support the motion.

Mr. FOSTER SUTTON: Sir, one point was made by the hon. Member for Nairobi South which I think he is now satisfied upon, but for purposes of record I should just deal with it so that we have it in Hansard.

He said it was the general desire of the European population who are concerned with this Bill to have specifically set out in the legislation itself the amount of money that was to be paid by the Authority from the funds provided for it by legislation. I pointed out after the debate personally to him that the original Bill carried out exactly the recommendations of the committee appointed. There

[Mr. Foster Sutton]

were two committees. The first committee reported and the report was considered by a committee of this Council. The original Bill carried out exactly the recommendations, or very nearly, of those committees. I only want to point out that the payments provided for in clause 8 as amended by the select committee report merely set out amounts "not exceeding". There was a limit to the amount that would be paid under the Bill as first introduced into this Council. The original Bill said, for instance, in paragraph (e) of clause 8, that there should be an allowance "not exceeding" Sh. 15 per diem. The select committee's report, if finally approved, will enable the Authority, if its funds permit at any time, to increase the amount payable. The select committee made its recommendation after considerable thought, because we thought it was stupid really to limit the power of relief that the Authority could afford. If they find the funds are sufficient there is no reason in the world why they should not pay more, because it is not pretended that the payments will adequately cover the expenses involved to a person. That was the reason for the select committee's recommendation.

To come to the point made by the hon. Member for the Coast. I must say that on one aspect of it I sympathize with the complaint, and I think I must take the blame myself. I was chairman of the select committee and the hon. Member for Nairobi North intimated to me and my colleagues on the committee that he intended to raise this point in Legislative Council. I think I, as chairman, should have taken a firm line and insisted upon his signing a minority report. I agreed upon the procedure, because he was not particularly anxious to sign a minority report, but I agree with the hon. Member for the Coast that that is probably the right procedure, and it is the procedure that in future, if I am chairman of any select committee, I shall follow.

On the other points, let us clearly understand what we are doing. The motion now before Council is that the select committee report on this Bill as amended by the amendment be adopted. There is nothing to prevent any hon. member moving an amendment to that

select committee report. That is the motion before Council. The mere fact of the appointment of a select committee does not mean that Council as a whole will willy-nilly swallow the report hook, line and sinker. (MR. COOKE: That is not my intention.) I am not confusing the issue. I have accepted, if I may call it so, the reprimand of the hon. member and taken it to myself. That is not the point I am dealing with. I am merely trying to clarify the thing.

Any member can move an amendment, and if Government chooses to accept it we are at liberty to do so as we have to-day. This procedure is adopted because it is not a Government measure, as I pointed out very early on. This Bill has been urged on Government, and Government accepted it at the instigation of the European community, and we wanted it to be an agreed measure, and although probably the procedure has been rather lax, due to my own fault, I think, probably no harm has been done, because we have now for practical purposes—except for one that the hon. Member for Nairobi North still adheres to—an agreed measure.

Another point is that no doubt hon. members are aware that any select committee report can be referred to the committee of the whole Council, provided the suggestion is approved by ten members of the Council, so that there is a procedure laid down. Probably in future it will be better if one insists on its being followed. I have no doubt that some objection can be made in connexion with another Bill which is coming up shortly for its third reading. It is proposed by the hon. member Archbishop Becher to move that it be referred to the committee of the whole Council. I think that that is no abuse of procedure. It is going to be a very useful thing, because we have found that by deferring the Bill, which was your suggestion, sir, and by Government not being stiff about it, a mistake that it would have been a pity to make in the legislation, and we shall now be able by adopting this procedure to rectify the mistake in committee of the whole Council. I think it is an extremely useful thing if we can adopt this solution in matters of this kind, without any high question of principle being involved.

His EXCELLENCY: Before I put the question I want to be quite clear that as the result of the explanation given by the hon. Attorney General it is to be regarded as the practice of the Council that if any member of the Council dissents from any of its proceedings in select committee he must sign a minority report?

SIR ALFRED VINCENT: Unless, of course, he has afterwards reason to feel that he has made a mistake. I do not think a member should be muzzled in debate.

His EXCELLENCY: He retains his right to move an amendment.

MR. FOSTER SUTTON: When we know in select committee, that is the point of the hon. member, that there is definite disagreement on principle, I, as chairman, in future—and Council will agree with me—will insist on a minority report. When it is a matter of detail, of course, it does not matter.

The question of the motion as amended was put and carried.

#### KENYA EUROPEAN CIVIL SERVICE CONTRIBUTORY PENSIONS BILL SELECT COMMITTEE REPORT

MR. FOSTER SUTTON: Your Excellency, I beg to move: That the select committee report on the Kenya European Civil Service Contributory Pensions Bill be adopted.

The select committee sat on a number of occasions and they heard representations from a number of individuals, chiefly from representatives of the European Civil Service Association, and I may say that the recommendations of the select committee have now made for the slight amendments which we considered necessary, although they are important in substance, were only made after most careful consideration. I will deal as briefly as I can with the select committee's proposals.

We suggest an amendment to clause 2 by the deletion of the words in the definition of "officer" of "a married woman who is declared by the Governor to be eligible to be a contributor under this Ordinance", and the substitution thereof of the words "any other person who the Governor may, by order published in the

Gazette, declare to be eligible to be a contributor under this Ordinance". Dealing with the purely technical legal point, if this measure is enacted into law, once a person is a contributor he automatically becomes an officer, by reason of the definition that we are discussing now, and under clause 6 (3) of the Bill any new entrant is compelled to contribute to the fund created by this Ordinance. I only mention that to make the position perfectly clear. Our officers, hon. members will remember, are given the option. We recommend that amendment, not to do in the eye any married woman, but to enlarge the scope of the Governor's powers, because if you turn to clause 8 there is an amendment we suggest there and we might deal with them both at the same time.

The old clause read: "When an officer who at the date of the commencement of this Ordinance is a contributor to the Provident Fund, elects, under the provisions of sub-section (1) of section 6 of this Ordinance, to become a contributor to the fund, the period during which he was a contributor to the Provident Fund shall be deemed to be a period during which he was a contributor to the Fund". There are two things we are talking about there: the Provident Fund and the Provident Fund Ordinance; and the provision under this Bill. Then there is the proviso that: "where any such officer was in the service prior to the first day of January, 1935, and he became a contributor to the Provident Fund without any break of service, his period of contributions to the Fund shall be deemed to date from: (a) twelve months before the date on which he would have been eligible to become a contributor to the Provident Fund; or (b) the date of his attaining the age of eighteen years, whichever date is the latest". We have altered the word "latest" in deference to my hon. friend on my left (Sir Gilbert Rennie) to "later". The amendment we suggest is the deletion of the words: "the period during which he was a contributor to the Provident Fund shall be deemed to be a period", and so on, and the deletion of the first four lines of the proviso, except for the last four words. I have not got it before me—I omitted to bring it down—but speaking from recollection, under the Provident Fund Ordinance a

[Mr. Foster Sutton] person could not contribute to that Fund, and he is not an officer here, unless he was over the age of eighteen years, and he was not entitled to contribute to it during any period of probation, and apprentices and learners were not allowed to become contributors.

Under the Bill as introduced into this Council we allow any person who was in the service before January, 1935, to count the whole of his service for pension purposes, provided he was eighteen years of age on entry. In other words, if he was in the service before 1935 he was allowed to count his service while on probation. The amendment we suggest to clause 8 merely removes the disability from those officers who entered the service after 1935. We feel that there is no sound reason, especially in view of the view we took regarding the amendment I have dealt with under clause 2, why these officers should not be allowed, providing they were 18 years of age, to count their period of probation. So these officers will now be entitled to count the whole of their service—their probation service, not their service as apprentices and learners. In the amendment we suggest to clause 2 we do not envisage, because it is a matter for the Governor, the Governor allowing a person who is a learner or apprentice to count that service towards his pensionable service, for obvious reasons, but we do envisage the Governor, under this new amendment, allowing any new entrant who is required to serve a period of probation to count that probationary service towards his pensionable service if he is afterwards confirmed and becomes a permanent officer in the service. We thought that was only right and fair. My hon. friend the Financial Secretary urged that we should also consider the cases of people who come into the service under agreements and afterwards are given permanent appointments, and his view, which the committee shared, was that that service also should be declared to count for pensionable purposes, if the officer ultimately becomes permanent. We thought that was fair, and I mention it now because it is not set out expressly in the Bill and I think it is right that the views of the select committee on that point should be known to Your Excellency through the medium of this Council, and to the Service.

The married woman is a very difficult point, and the committee were not unanimous on it. That is a matter for Council to decide. I am very sorry my hon. friend the Member for Nairobi North is not here to-day. As he is not here I am not going to take advantage of him, but I am going to make this point for him—though I am sure not as adequately as he could—that he was strongly of the opinion that married women, if they were accepted into the service, should be accepted as permanent officers and allowed to come in as contributors to the fund. With that view a number of us on the select committee had a tremendous amount of sympathy, but we were not unanimous. The whole position, as hon. members probably know, is now under review in the United Kingdom, and my hon. friend the Deputy Chief Secretary was good enough to inform me this morning that there was in 1946 a committee appointed in the United Kingdom to consider the marriage bar in the civil service. I have not had an opportunity of reading this report, but I understand from my hon. friend that the committee really came to no definite conclusion and the matter is still under consideration by the Government in the United Kingdom. All I can say to my hon. friend the Member for Nairobi North is that this Government will reconsider its own position in the light of the decisions ultimately taken by the Government in the United Kingdom, and I do not think we can reasonably be expected to go very much further than that. Also I suggested a number of verbal amendments, merely to keep the measure consistent in its language, and I do not propose to deal with these as they are obvious.

In clause 14 there is rather an important amendment. As hon. members are aware, my hon. friend the Financial Secretary informed Council when he spoke on this measure originally that this matter had been referred to actuaries in the United Kingdom. They have made certain recommendations, and it is essential that we should follow their recommendations if we are to keep this fund solvent. They recommended that the Government's contributions in the case of the ordinary entrant at a fairly early age to the service should be 11 per cent per annum, but they went on to point

[Mr. Foster Sutton] out, because of information supplied to them by my hon. friend, that in view of the fact that a number of officers have in the past entered the service beyond the ordinary age, it would be necessary, if the fund was to be kept solvent, for the Government contributions to be stepped up according to their ages, and the original measure—not the one introduced into this Council—which was sent to the Secretary of State for his comments, contained a proviso to clause 14, and that proviso is set out in paragraph 6 of the select committee's report. If hon. members will look at paragraph (b) of paragraph 6 of the select committee's report, they will see set out the figures supplied by the actuaries in the United Kingdom. It is obvious that if an officer comes into the service over the age of 30 years, or 34 years, or 39, etc.—these are all dealt with there—the fund would soon become bankrupt, or there would be a probability of it doing so if the contributions were not larger. So what we have done is to suggest that the old provision be reinstated and that clause 44, which hangs on it, be deleted.

Clause 44, for the benefit of hon. members who have not got the Bill before them, reads as follows: "If as a result of any valuation of the Fund made under the provisions of section 43 of this Ordinance, a deficit in the Fund is disclosed such deficit shall be made good out of the general revenue of the Colony in such instalments as the Governor may direct." There are several aspects of that. If the Government's contribution was limited to 11 per cent in respect of all officers, whatever their age of entry, there was a very high probability that the fund would soon require to be rehabilitated under clause 44. That could have been done without any further reference to this Council, because we would have empowered the executive to make the contributions to the fund, and it would not be a matter for review unless some hon. member tabled a motion about it. That is one aspect, but the other aspect is this. We felt that there is a greater probability of the benefits conferred by this measure being stepped up at some future date if it is found that the fund is flourishing with the contributions provided for. If we

find that any alteration is required or the fund requires reinvestment, the matter can now, with the deletion of clause 44, come before this Council. We felt that it was better for the service, and for the country that the matter should, willy nilly, have to come here for the voting of money for the fund, and we felt that the Government and members of this Council would be more ready to consider the stepping up of benefits if they had greater control.

There is a verbal amendment to clause 10 to which I need not refer, it was a printer's error, and there is an amendment to clause 27, which read originally: "A contributor who resigns from the service whose services are terminated by the Governor for misconduct, before attaining the age at which he is entitled to retire on pension, under the provisions of this Ordinance, shall become entitled to a refund of his contributions to the Fund accumulated at the rate of three per centum per annum compounded annually, and upon such refund being made such contributor shall have no further claim upon the Fund, and all the contributions made by the Governor, in respect of such contributor, shall be paid into the general revenue of the Colony." We suggest an amendment by cutting out the words "for misconduct" and inserting "for reasons other than those mentioned in sections 23, 24, 25 and 26 of this Ordinance."

Clause 23 provides for retirement on the grounds of ill health, 24 retirement for inefficiency, 25 retirement on grounds of reorganization, and 26 made special provision for an officer who has been in the service for a period of more than ten years. We recommend this amendment and the addition of a proviso at the end which reads: "Provided that where the services of a female contributor are terminated by the Governor in consequence of her marriage she shall receive a payment out of the Fund equal to one and two-third times the amount of her contributions to the Fund accumulated at the rate of three per centum per annum compounded annually." All other people are dealt with somewhat generously, and if a single woman in the service marries and has to leave, she should be treated more generously than merely having returned to her her contributions plus interest.

[Mr. Foster Sutton]

I need not labour the amendment to clause 35, for it is to some extent verbal. The hon. Financial Secretary pointed out that it might be argued in future that a person was entitled to two pensions in respect of the same period of service, and the amendment we suggest removes the matter from the ground of debate, or at least we hope it does. It is a matter of principle, and I might say that after very careful consideration the select committee entirely agreed with the policy advocated in connexion with that amendment.

MR. TROUGHTON seconded.

MR. PATEL: Your Excellency, I feel a terrible temptation to move the postponement of the consideration of this select committee report, but I shall not do it. I moved, when the original Bill was debated five months back, that it should not be considered until similar bills be prepared and produced for the consideration of the Council for Asians and Africans. What I had feared then has proved right, that so far there has been no sign of the publication of bills for Asians and Africans in the Civil Service, but I do not propose to waste the Council's time by moving any motion to-day. I would, however, urge Government to publish bills for the Asian and African Civil Services as soon as possible.

ARCHDEACON BEECHER: Your Excellency, I rise to correct a possible misapprehension that might be created by the words of the previous speaker. Government has very generously permitted the committee which has been appointed to look into the African terms of service to consider the whole provident fund question, and I trust the committee which is now sitting on that matter, when it presents its report to Government, will find Government prepared to deal generously with that situation. I am confident that Government will do so, and unless there is any misapprehension I should like to put that on record.

SIR ALFRED VINCENT: Your Excellency, I have never been quite able to understand why a married woman is punished twice in getting married as far as Government servants are concerned! (Laughter.) A girl serves Government for twenty years, and I believe that up to

now if she married she did not get any pension. Surely she has punishment enough when she gets married without losing her pension. I also do not quite understand why a woman should be treated in a different manner to a male employee of Government. (Mrs. Watkins: Shame!) I have no ulterior motive for saying this other than it is a matter of common justice.

MRS. WATKINS: Your Excellency, I could not agree with the hon. member more. I would also draw the attention of the hon. Attorney General to one point. I do so using the ordinary English of the country. Why are we always described as females? Why not woman or women? Why are we always called females? (Laughter.) I should like to put it on record why the expression females is used here, and I should like her to be called woman.

MR. TROUGHTON: Your Excellency, I shall leave the question of the married woman or female to the hon. Attorney General, but he passed the ball to me in respect of one clause which needs a slight explanation. If an officer who has been serving in this country on Kenya European Civil Service terms is transferred elsewhere, his services count for pension, but at present he gets no contributions to the Provident Fund back. We feel that that practice should be continued in respect of members of the service here at the present time, but in respect of future entrants it is unduly generous, in that during the time a man serves here, or woman, his salary has been based on the assumption that he makes a contribution towards his pension. Therefore, if he goes and ultimately gets a pension in respect of that service there is no particular reason why his contributions should be handed back to him, but should go to the revenue which will meet the cost of his pension.

So far as the hon. member Mr. Patel is concerned, we are getting on with an Asian Contributory Pensions Bill as far as we can. At present it is the subject of correspondence with the actuary. When we get agreement it will be an easy matter for the hon. Attorney General to produce the bill in the light of the experience of this one. I can assure the hon. member Archdeacon Beecher that any recommendations which

[Mr. Troughton]

the African terms of service committee may produce on this subject will be sympathetically considered.

MR. FOSTER SUTTON: Sir, I am sorry that the hon. member Mr. Patel has had to leave and is not here at the moment, but I will give a definite undertaking that, as soon as I get the information from the hon. Financial Secretary, I will see that there is no delay in getting on with the necessary drafting of the legislation for the Asian Civil Service, because I have the greatest sympathy with them over the position.

The hon. Member for Nairobi South ventured to ask the question which is a married woman punished twice, once when she marries and once when she leaves the service to marry. All I wish to ask the hon. member is that he should confine his remarks to himself! (Laughter.) If that is how he feels about it there is no reason to assume that the position is the same with everybody else. (Laughter.) As far as the position goes, we have the greatest sympathy with these married women, and there will be no lack of sympathy once we are fully informed of the action taken in the United Kingdom. It is a very wide subject and has a tremendous number of implications. It may sound rather foolish to say that, but when you have a committee of that standing finding it difficult to come to a conclusion it is far better if we waited, and I do not think it will be a long wait; not one of those everlasting consideration ones.

The question was put and carried.

#### ENTERTAINMENTS TAX ORDINANCE, 1931

##### CONTINUATION OF

MR. TROUGHTON: Your Excellency, I beg to move: That the Entertainments Tax Ordinance, 1931, be continued in force until the 31st December, 1947.

Under section 10 of the Ordinance it expires this year and it has got to be renewed by resolution of this Council each year. I think the entertainment tax is one of the few taxes which are not in dispute.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### PYRETHRUM (AMENDMENT) ORDINANCE, 1943

##### CONTINUATION OF

MAJOR CAVENISH-BENTINCK: Your Excellency, I beg to move: Be it resolved that the Pyrethrum (Amendment) Ordinance, 1932 (No. 28 of 1943), shall remain in force until the 31st December, 1947.

In 1943 arrangements were made with the Ministry of Supply whereby we supplied pyrethrum at an agreed price, but we were confined to a fixed acreage. In order to conform to the agreement powers were given to the Chairman of the Agricultural Production and Settlement Board, both under the Increased Production of Crops Ordinance and under the Defence Regulations of 1943, to deal with the licensing of pyrethrum growers. We have prolonged the Increased Production of Crops Ordinance until March, 1949, in accordance with section 43 of the Increased Production of Crops Ordinance, which provides that "it shall remain in force until the 31st December, 1946, provided that the Governor may by proclamation, with the approval of the Legislative Council, declare the Ordinance to remain in force to a date to be fixed". That clause is also contained in the Ordinance we are discussing now—the Ordinance to amend the Pyrethrum Ordinance of 1938; not that I am proposing that we should prolong this Ordinance to the extent of keeping it contemporaneous with the Increased Production of Crops Ordinance, but it is essential that we should prolong the Pyrethrum Amending Ordinance up to the time when our arrangements with the Ministry at home terminate, and that is at the end of 1947. For that reason I wish, as I have said, to move that the Pyrethrum (Amendment) Ordinance, 1943, under section 11 of that Ordinance, shall remain in force until the 31st December, 1947.

MR. FOSTER SUTTON seconded.

MR. COOKE: Will the hon. member inform us when he intends to make a reform in the quotas allowing people distribution of the quotas allowing people to grow pyrethrum, because the present quota system is grossly unfair? So many people are allowed far too large acreages at the moment, and I know that in the part of the country where I temporarily

[Mr. Cooke].

reside they are very much against these very large acreages which at present exist.

MAJOR CAVENDISH-BENTINCK: In reply to the point raised by the hon. Member for the Coast, I would say that the allocation of acreages is done in the very closest consultation with the Pyrethrum Board, and it is they who give me advice as to the licences to be issued, and it is they who give advice on the policy to be followed as regards pyrethrum growing in this country. I think it is true to say that both the Pyrethrum Board and I, as Member for Agriculture, agree that we do not want these very big acreages and that in future pyrethrum should be, if possible, part of a mixed farming project. But you cannot change these things as quickly as all that and, as I say, the question of these acreages is constantly under review.

The question was put and carried.

#### LOCAL GOVERNMENT (DISTRICT COUNCILS) (AMENDMENT) ORDINANCE, 1946

##### CONTINUATION OF

MR. MORTIMER: Your Excellency, I beg to move: Resolved, that this Council approves of section 3 of the Local Government (District Councils) (Amendment) Ordinance, 1946 (No. 26 of 1946), being continued in force until the 31st December, 1947.

This particular section precludes enemy aliens from having their names registered on district council electoral rolls and from exercising a vote in district council elections. During the war, Defence Regulations were promulgated covering both district councils and municipal authorities, which precluded enemy aliens from exercising voting powers. When the Defence Regulations ceased to be operative, the opportunity was taken to introduce an amendment to the District Councils Ordinance which, in fact, continued to the end of December, 1946, and it then due to expire. But there was a proviso that "the Governor may, with the approval of the Legislative Council of the Colony, by notice published in the Gazette, declare that this section shall remain in force until a date to be fixed in such notice or until repealed".

The safeguarding of the position in municipalities is covered by rules, which do not need the approval of this Council, but only the approval of Executive Council. That approval has in fact been given, and a similar extension of the prohibition will be promulgated in respect of municipalities as this motion purports to do on behalf of district councils.

There are still a considerable number of people who are classified as enemy aliens, and it is the general view that they should not be allowed to enjoy civic privileges until such time as this Council feels they should be permitted to do so. At any rate, as long as they remain enemy aliens, it is proposed that they should be excluded from the right of voting at our elections.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### STANDING RULES AND ORDERS SUSPENDED

With the consent of the President, under Standing Rule and Order No. 108, MR. TROUGHTON moved: That Standing Rules and Orders be suspended to enable the following motion to be moved without due notice—"That the Pensions (Increase) Ordinance, 1945, be declared to remain in force until the 31st December, 1947".

MR. FOSTER SUTTON seconded.

The question was put and carried.

Standing Rules and Orders were suspended.

#### PENSIONS (INCREASE) ORDINANCE, 1945

##### CONTINUATION OF

MR. TROUGHTON: Your Excellency, I beg to move: That the Pensions (Increase) Ordinance, 1945, be declared to remain in force until the 31st December, 1947.

I apologize for having to introduce this motion without due notice. The fact is that it was only at the last moment that we realized it was necessary for this motion to be moved. The facts are that the 1945 Ordinance provides for a temporary increase in the lower pensions payable to officers of all races, and the Ordinance expires at the end of each year, unless renewed by resolution of the

[Mr. Troughton]

legislature. These temporary increases in pensions were introduced on account of the increased cost of living, and the conditions that led to their introduction and enactment still hold good. I may say that proposals for stepping up these rates of pension have been put forward by the Civil Service Advisory Board and will be discussed at the next routine meeting of the Standing Finance Committee.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### STANDING RULES AND ORDERS SUSPENDED

With the consent of the President, under Standing Rule and Order No. 108, MR. FOSTER SUTTON moved: That Standing Rules and Orders be suspended to enable the following Bills to be taken through all their stages to-day: The King's African Rifles (Amendment) Bill, the Provisional Collection of Taxes Bill, the Customs and Excise Duties (Provisional Collection) (Temporary) (Amendment) Bill, the Certification of Lunatics (Forces of the Crown) (Amendment) Bill, the 1947 Appropriation Bill.

MR. FOSTER SUTTON: Sir, through a mistake, due entirely to my directions, the Customs Tariff Bill and the Excise Duties (Amendment) Bill were put down under suspension. It is not the Government's intention, as I explained in the memorandum which was attached to the two Bills, to proceed beyond the first reading of these two Bills, and therefore I do not propose to go beyond the first reading of these two to-day. The others I wish to take through all their stages. I will explain later why.

MR. STACEY seconded.

The question was put and carried.

Standing Rules and Orders were suspended.

#### BILLS

##### FIRST READING

On the motion of MR. FOSTER SUTTON the following Bills were read a first time: The King's African Rifles (Amendment) Bill, the Customs Tariff Bill, the Excise Duties (Amendment) Bill,

the Provisional Collection of Taxes Bill, the Customs and Excise Duties (Provisional Collection) (Temporary) (Amendment) Bill, the Certification of Lunatics (Forces of the Crown) (Amendment) Bill, the 1947 Appropriation Bill.

#### THE KING'S AFRICAN RIFLES (AMENDMENT) BILL

##### SECOND READING

MR. STACEY: Your Excellency, I beg to move: That the King's African Rifles (Amendment) Bill be read a second time.

Under the principal Ordinance corporal punishment may be awarded by courts martial upon soldiers and followers for certain military offences. Before the war, although these sections were in force, they were not invoked, and this Bill merely seeks to put on a legal footing the practice which obtained before the war. All the East African territories have agreed to enact similar legislation; indeed, West Africa and Central Africa have also agreed, and it is very desirable that the legislation should be uniform, because members of the K.A.R. may be transferred to any other military force in East Africa. Quite apart from those considerations, I think it will be generally agreed that it is wrong and improper for our African soldiers, who built up such a proud record with the military forces during the war, to remain subject to such a degrading form of punishment (Applause.)

MR. FOSTER SUTTON seconded.

ARCHDEACON BECHER: Your Excellency, on behalf of those whom it is my privilege to represent, I should like to say how grateful my colleague and I are to Government for the introduction of this measure. It will be within the memory of this Council that both he and I, on a number of occasions previously, have drawn the attention of this Council to the dissatisfaction with the continued existence of corporal punishment as a form of punishment to be applied both in private and in public during the war to the African soldier, and on their behalf I should like to thank Government and the hon. mover for the terms in which he has introduced this measure. I beg to support it.

The question was put and carried.



### PROVISIONAL COLLECTION OF TAXES BILL

#### SECOND READING

MR. FOSTER SUTTON: I beg to move: That the Provisional Collection of Taxes Bill be read a second time.

The remarks that I am about to make apply also to the next Bill on customs and excise duties, because they are both linked with each other and will have repetition. The position is this. We have on our statute book an Ordinance which was passed in this Council in 1940 which enables the Governor in Council, if he has approved of the introduction of any Bill affecting the rates of duty payable in connexion with customs and excise, to make an order imposing the rates provided for in the Bill straight away on a date to be named in the order that he makes. The object of that provision, of course, is obvious: it prevents evasion and it enables the matter to be dealt with expeditiously before the public is aware of the new taxes to be collected. That Ordinance has certain safeguards, and they are very wise ones. It provides in effect that, when the Governor has made an order under its provisions which has the effect of varying or increasing any customs or excise taxes, the order only remains valid providing the Bill in respect of which it is made is introduced into the Legislative Council within eight weeks of the effective date of the order. That is why I wished to read these two Bills a first time, in order to comply with that provision.

There are three provisions, and I will read them: "(i) on the rejection by the Legislative Council of the Bill in respect of which such order was issued, or on the withdrawal of such Bill, or on the consideration of such Bill by the Legislative Council being adjourned *sine die*; or (ii) on the expiration of twelve weeks after the date on which the order is expressed to take effect; or (iii) on such Bill, with or without modification, coming into operation by the assent of the Governor being given thereto". Those are the safeguards. If one of those three things does not happen the order ceases to have effect. In other words, if the order made by the Governor in Council is not finally dealt with and approved by this Council, then the order ceases to be valid and when it ceases to be valid,

providing the Bill has not been enacted into law, this is the result: any duties collected are automatically under the Ordinance refunded to the individual from whom they were collected. These provisions provide an ample safeguard to the elected side of the Council, as it gives them complete control over the procedure, or rather it gives Council complete control over the procedure.

On the 15th October this year the Governor in Council approved of the making of two orders, and those two orders were in relation to the two Bills I have read a first time. The order was expressed to be effective as from the 23rd October. Unless I had introduced the Bills to-day they would have ceased to be valid on the 17th December—that is the expiry date. It is quite obvious that the debate on the motion that the Draft Estimates be referred to Standing Finance Committee having only ended yesterday, the Standing Finance Committee cannot possibly report back to this Council before the end of this year and you, sir, are most anxious that there should be no impression that their consideration should be hurried. This Bill enables orders to be made in connexion with taxation measures other than customs and excise; that is to say, it will enable an order to be made in connexion with income tax to give the reliefs referred to already during this budget debate. I think it is essential that such power should exist. It exists in the United Kingdom and has done so for a number of years. The Act itself was passed in 1913, and provides that when the Ways and Means Committee of the House of Commons has approved of a resolution imposing new taxation that new tax can be collected. Then it has similar—not exactly the same—provisions regarding the protection of the taxpayer as obtained in the 1940 Ordinance and in this draft Bill we now have under consideration.

It is proposed that orders should be made before the end of this month in connexion with next year's taxation, but those orders will only become effective—and I emphasize this—if the legislation is ultimately approved by this Council. We do not know, and I do not suppose the members of Standing Finance Committee—who, if I may say so, with respect, I am very sorry for, they

[Mr. Foster Sutton]

have had a terrific job in front of them so will be able to report for many weeks. So Government has endeavoured here to give enough time to carry us on to the end of February and towards the middle of March, so that if their deliberations have not concluded until late in January, or—whatever date it is, this Council will have ample opportunity to consider any of the Government's taxation proposals, providing we do it by the third week in March. It does give us a breather. Last year, you will remember, the Standing Finance Committee were unable to report before the 31st December, though in previous years I believe they have been able to do so, but it does appear to me that with the enormous increase in the business of this country we shall probably face that situation almost every year. I have provided in this Bill that it should remain in force until the 31st day of March, 1947. It is only a temporary measure and it will only confer this power in the exceptional circumstances that exist to-day.

Personally—and I am expressing a purely personal view—I think we should have legislation like this on our statute book as permanent legislation. I think it is a pity that we have made it a temporary measure, because I believe we shall probably be faced with the same situation year after year in future, and it would be a very useful thing if we had permanent legislation, as they have in the United Kingdom. Anyway, if Government finally decides to introduce legislation on a permanent basis we can do so during the course of the forthcoming year, and we can have a debate on that on its merits at the time.

If hon. members will look at clause 4, it requires that any order made in respect of the Bill shall be introduced into this Council within ten weeks of the effective date of the order. I put ten weeks, which is an alteration from the other one, which was eight, merely to safeguard against almost any eventuality. Then the other provisions in clause 4 are very similar to the 1940 Ordinance, except that I extended the ten weeks in paragraph (ii) of sub-clause (2) of clause 4 to twelve weeks. That again gives us until about the third week in March if no order is made before the end of this year.

As I say, I think the Bill as it stands will be good enough for permanent legislation, and I am sorry that we have had to introduce it as a temporary measure only. As I say, it contains all the safeguards that the other Ordinance and the legislation in the United Kingdom contain—all the substantial ones—any taxes are collected under any order made and the legislation is not eventually enacted into law by this Council, then any money collected over and above that provided for ultimately is refundable to the taxpayer and any deductions made—for instance these children's deductions—if they are not eventually approved they will be regarded as illegal deductions and the taxpayer will have to make a refund. It provides protection in both ways.

I do not think I need say any more on that particular Bill, and I shall be very brief on the second one.

MR. STACEY seconded.

The question was put and carried.

### CUSTOMS AND EXCISE DUTIES (PROVISIONAL COLLECTION) (TEMPORARY) (AMENDMENT) BILL

#### SECOND READING

MR. FOSTER SUTTON: My Excellency, I beg to move: That the Customs and Excise Duties (Provisional Collection) (Temporary) (Amendment) Bill be read a second time.

As I have explained before in moving the second reading of the previous Bill, this provides for orders to be made in the case of customs and excise duties and the rates contained in the Bill which has been tabled here and read a first time have been collected from the taxpayer as from the 23rd October. The concessions made in the legislation have been given and all the taxes on the old footing have been collected. As I say, if a change is made ultimately then the money may have to be refunded.

All this Bill does is to extend the period in section 3 of the principal Ordinance from ten weeks to 22 weeks, and the reason for it is this. We got over the difficulty of the eight weeks by reading these two Bills a first time, but the ten weeks expire on the 31st December this year, and it is the Government's wish to give, as I have already pointed out, this



(Mr. Foster Sutton)  
Council time to consider the whole of this taxation question. If this amendment is enacted into law it will give us a breather and collections will continue to be under these two orders I have already referred to, up to, I think, the 25th March, and these periods are very much the same as we have been able to provide under the previous Bill.

MR. STACEY seconded.

The question was put and carried.

#### CERTIFICATION OF LUNATICS (FORCES OF THE CROWN) (AMENDMENT) BILL

##### SECOND READING

DR. MACLENNAN: Your Excellency, I beg to move: That the Certification of Lunatics (Forces of the Crown) (Amendment) Bill be read a second time.

This Bill seeks to amend the principal Ordinance in one particular only, to enable its provisions to be retained for a further limited period, in effect to the 31st December, 1947. Hon. members will probably recall that the principal Ordinance No. 9 of 1946, was enacted to continue certain emergency legislation relating to the admission of members of the armed forces to Government mental hospitals in the colony, for the purpose of observation. The military medical authorities are anxious that this legislation shall remain in force, and that seems to me a desirable request.

I would like to say that comprehensive mental legislation for the colony is in course of preparation, and should be ready for presentation to this Council next year, and this will include such provisions of this Ordinance as may be necessary. When that legislation becomes law this Ordinance as amended will be repealed.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### APPROPRIATION BILL

##### SECOND READING

MR. TROUGHTON: Your Excellency, I beg to move: That the Appropriation Bill be read a second time.

It is necessary that this Bill should be passed into law in order that public business may be carried on in January,

although we will not by then have dealt finally with the Estimates. The amounts set out in clause 4 are based on the Draft Estimates as presented to Council. There is no doubt at all that these Estimates will be considerably amended by the Standing Finance Committee, and I can give an undertaking that, once the Estimates are finally accepted have been approved by this Council, an amending Appropriation Bill substituting the new figures will be introduced.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### INCREASED PRODUCTION OF CROPS (AMENDMENT) BILL

##### SECOND READING; RESUMED

The debate was resumed.

MR. TRENCH: Your Excellency, when the hon. Member for Agriculture introduced this amending Bill into Council, he made some reference to the prices of primary products. I am not satisfied with what he said, and I would like him to give an assurance that, as the power of fixing prices or recommending prices to Government is being given to him, he will give an assurance that prices will not be altered on primary products. When I say primary products, I am not going to suggest any other primary products except those that are consumed wholly in the East African territories, because it is very obvious that with pyrethrum, coffee, sisal and others depending on the world markets such assurance should not be asked for, but in particular maize and wheat, and that he will consult the industry before any reduction in prices takes place. Secondly, that no reduction in prices shall take place unless there is clear proof that the costs of production have gone below the figure which existed when present prices were fixed of those primary products.

In the past there have been considerable discussions of an acrimonious nature at many cases on prices such as maize, and it is felt, and it is hoped, that by conferring these price fixing powers on the hon. member saner counsels will prevail in the future about prices and less—if I may use an expression we have heard in this Council—mucking about, especially in the prices of the products I have mentioned.

MAJOR KEYSER: Your Excellency, I should like to support what the hon. Member for Rift Valley has said. In the past these prices have been fixed by a board which consisted very largely of consumers of the product which was being considered, and it is felt by producers of these particular commodities that some other system should be adopted. The one that is put forward is acceptable to the industries concerned, providing the assurance asked for is given by the hon. Member for Agriculture and Natural Resources.

MR. TROUGHTON: Your Excellency, I had not intended to intervene in this debate, but I must say a word or two in answer to the request put forward by the hon. Member for Rift Valley.

He asked that in respect of wheat and maize the Government should give an undertaking that the prices would not be raised (a) without consultation with the industry, and (b) unless there was clear evidence that the cost of production had gone down below the present level. So far as the first part is concerned, I think, subject to the views of the hon. Member for Agriculture, an assurance can be given that the industry will be consulted in whatever form may be most appropriate. But I am afraid, on due consideration, that it is not possible to give a categorical undertaking that no reduction will be made unless there is clear evidence of a reduction in the cost of production. The assessment of prices of these products which are sold not in Kenya alone but in all East African territories is a complicated business, and it is especially an inter-territorial business, and the furthest I could go for my part is to indicate that any representations made by any of these industries would receive very careful and sympathetic consideration, and I do not think Government could go any further than that.

MAJOR CAVENDISH-BENTINCK: Your Excellency, there seems to be only one point which arises out of this Bill, and I will repeat what I said in the course of introducing this Bill. The rather complicated further amendments which were necessitated to the Bill arose from conversations I had with hon. members on the other side of Council who expressed the view, and I think with some founda-

tion, that the Board of Agriculture was a body that was apt to be divided rather acrimoniously at times on questions of prices and as a result might make, and indeed I think in some cases have made, decisions of the sort you might expect at the end of a hot afternoon and an acrimonious discussion, and not as the result of unbiased consideration of the facts presented. There is a good deal of substance in that suggestion, as many of us know after dealing with such subjects for many years in this country. For that reason, they suggested that the duty of tendering advice to the Governor in Council—and it should be noted that the Governor in Council fixes the prices, and not the Member for Agriculture—should rest with me and that I should take such advice as I felt fit, possibly utilizing some form of Price Fixation Committee as exists in other countries. I will not bind myself to that now, because it might take a form unpalatable, and I would not form such a body without consulting all interests, including consumer interests. I can give the most categorical assurance, of course, that in all these questions the industry will be consulted and kept in the closest touch with what is going on.

I now come to the undertaking asked for that there should be no reduction of price unless the costs of production have gone down below those existing when such prices were fixed. That sounds a very easy undertaking to give, but in fact, of course, it is committing Government to an unknown liability, and I do not think it will be possible to give an undertaking in these terms for the reasons given by the hon. Financial Secretary. Actually, the Bill before us is a prolongation of an existing arrangement for another two years, and as regards maize prices a guarantee has been given which covers the next two years. I do not think it is likely that during the next two years there is going to be any reduction in the prices of cereals, but that is as far as I can go. To show that the allegation that there is a sinister intention on the part of Government to reduce prices is without foundation, I can perhaps only quote what has happened in the last few days. When I came back from England and heard that new arrangements had been made for advancing money in order to

[Major Cavendish-Bentick] buy crops which were being stored by farmers until such time as they were wanted for delivery to the Cereals Pool, and that the intention was to depart from previous practice and charge interest, which I thought unreasonable. I went to the hon. Financial Secretary and explained the position to him, and he at once, when he saw what the position was, agreed that interest should not be charged. That was one of the items mentioned in the debate by the hon. member opposite as pointing to the tendency of Government trying to bring producer prices down. We have no intention of unnecessarily reducing prices, but beyond that I am afraid I do not think I can go. I, however, can assure hon. members that we do want to do what we can to ensure stability and keep production going.

The question was put and carried.

### IMMIGRATION (CONTROL) BILL

#### SECOND READING DEFERRED

With the leave of Council, the second reading of the Immigration (Control) Bill was deferred.

### 1945 SUPPLEMENTARY APPROPRIATION BILL

#### SECOND READING

MR. TROUGHTON: Your Excellency, I beg to move: That the 1945 Supplementary Appropriation Bill be read a second time.

This Bill covers the expenditure in 1945 that has been authorized by this Council in various Schedules of Additional Appropriation.

MR. FOSTER SUTTON seconded.

The question was put and carried.

### MIRAA CONTROL BILL

#### RECOMMENDED

MR. FOSTER SUTTON: Your Excellency, with the leave of the Council I should like to take the third reading of the Miraa Control Bill now. The hon. member Archdeacon Beecher proposes to move, under Standing Rule and Order No. 83, that the Bill be recommitted. The object of his taking that action is to enable certain amendments to be made which we all agree should be made, and

this will save the enactment of further legislation by adopting that course. I move that the Bill be read the third time and passed.

MR. STACEY seconded.

ARCHDEACON BEECHER: Your Excellency, under Standing Rule and Order No. 83, I move: That the Bill be recommitted. Spanding Rule and Order No. 83 reads: "If, on the third reading of a Bill, any member desires to amend or delete any provisions contained in the Bill, or to introduce any fresh provision, he may move that the Bill be recommitted and if the motion be agreed any alteration proposed may be discussed in committee of the whole Council. The Council may then resume and the Bill be read a third time".

This is a somewhat unusual procedure, and I should like to express my gratitude to Government for allowing it, and the hon. Attorney General for his assistance in the preparation of the material with which I am now concerned. I feel that a very brief explanation is due to Your Excellency and hon. members for the adoption of this procedure.

There is one purpose, and one only, and that is to prevent this important measure from becoming of no effect owing to its incapacity for being put into operation, thus saving it from the same fate as has befallen other legislation of this type, and at the same time preventing amending legislation being introduced at an early date. Hon. members will be aware of the fact that I raised certain points during the debate on the select committee report on this Bill. I did at that time intimate that I would not ask for the Bill to be held up, but I did point to difficulties that were, in my opinion, likely to be encountered. Further investigation has shown that I did in fact, before I left for leave in England about a year ago, mention to the then provincial commissioner of the Central Province my apprehensions with regard to the Embu district, and he himself investigated that situation, as also did Mr. H. E. Lambert. The Provincial Commissioner confirmed to Government, I understand, that in his opinion my point of view was a valid one, and at the same time he referred the matter to the Embu Local Native

[Archdeacon Beecher] Council for their consideration. In the meantime, the debate on the second reading of the Bill took place in this Council on the 11th January, 1946. The Provincial Commissioner for some reason I have not been able to determine, omitted to make any reference to the investigations then proceeding; further, when he was appointed a member of the select committee the same point also seems to have slipped his memory.

But the investigations of the Embu Local Native Council were proceeding, and I have been able to obtain a copy of the minutes of that Council on the 6th February, in which they make representations as to their position in relation to this particular tree, the *catha edulis*. (I apologize to the hon. Member for Klamby.) (Laughter.) Their minute reads as follows:—

"It was explained that the use of this harmful drug was on the increase and that legislation had been drawn up to control it. Its use was traditional among the older age groups in Meru district and exceptions to the prohibition had been made in their case. It was believed that similar exceptions might be required in the case of Mberc. After discussion it was agreed that the cultivation and use, but not the sale, should be allowed on permit from the Chief in the Mberc locations of Evurore, Ndawa and Mairua. On representation that miraa was also traditionally used in the lower part of certain Embu division locations marching with Mberc, it was agreed that cultivation and use should similarly be allowed in the Embu locations of Gaturi, Kyeni and Kagaari. In order to allow for use by Somalis and certain Islamized natives in the district, it was agreed that powers to authorize use of miraa should be vested in the District Commissioner also".

Hon. members have had a copy of certain proposals which I shall ask the leave of Council to agree to if the Bill is recommitted. All that is proposed in those amendments is to extend the monopoly that the select committee's report forces upon the distribution of miraa in order to cover the Embu situation, which

is exactly parallel to that in the Meru district. They have been prepared in consultation with the hon. Chief Native Commissioner and the hon. Attorney General. I should like to give certain assurances. On the one hand, the original purpose will still remain, namely, to encourage the elimination of the illicit use of this noxious drug, and that object is in no way lessened by the further amendments which it is proposed to introduce into the Bill. On the other hand, the concessions granted in the Bill originally and in the select committee report are not tampered with in any respect, and as I have indicated the monopoly which was granted to the Meru district in deference to tribal custom is extended to the Embu area. Finally, as a result of conversations with the Provincial Commissioner, Mr. Wyn Harris, I am certain and can give this Council the assurance that the Bill thus amended will give him a much more flexible and workable piece of legislative machinery which, in his hands well, I am certain, be carried to good effect.

MR. MARCHANT seconded.

The question was put and carried.

### BILLS

#### IN COMMITTEE

MR. FOSTER SUTTON moved: That Council do resolve itself into committee of the whole Council to consider, clause by clause, the following Bills—(a) the King's African Rifles (Amendment) Bill, the Provisional Collection of Taxes Bill, the Customs and Excise Duties (Provisional Collection) (Temporary) (Amendment) Bill, the Certification of Lunatics (Forces of the Crown) (Amendment) Bill, the 1947 Appropriation Bill, the Miraa Control Bill, the 1945 Supplementary Appropriation Bill, and the Increased Production of Crops (Amendment) Bill.

MR. TROUGHTON seconded.

The question was put and carried.

Council resolved itself into committee.

*King's African Rifles (Amendment) Bill*—Clause 1.—MR. FOSTER SUTTON moved that clause 1 be amended by the

substitution of the figure 3 for the figure 2 in line 2.

The question was put and carried.

The question of the clause as amended was put and carried.

1947 *Appropriation Bill*.—MR. TROUGHTON moved: That the Bill be amended by the insertion of the words "First Schedule" in Capitals immediately following clause 4 and at the top of the table on the first page.

The question was put and carried.

The question of the Bill as amended was put and carried.

*Increased Production of Crops (Amendment) Bill*.—Clause 2.—MAJOR CAVENDISH-BENTINCK moved: That clause 2 be amended by adding the following new paragraph:—“(c) by inserting therein, immediately after the definition ‘farmer’, the following definition—‘Member’ means the person for the time being performing the duties of the Member for Agriculture, Animal Husbandry and Natural Resources”.

The question of the amendment was put and carried.

The question of the clause as amended was put and carried.

Clauses 3 and 4.—MAJOR CAVENDISH-BENTINCK moved that clauses 3 and 4 be renumbered as 4 and 5 respectively, and that the following new clause be inserted as clause 3.—“3. Section 5 of the principal ordinance is hereby amended by deleting the first two lines of sub-section (1) thereof and substituting therefor the following:—5. (1) The Member may, with the consent of the Governor in Council, by notice published in the Gazette, declare the free on rail price which”.

The question was put and carried.

Clause 5.—MAJOR CAVENDISH-BENTINCK moved: That the new clause 5 (old clause 4) be amended (a) by deleting paragraph (a) thereof and substituting therefor the following:—“(a) by deleting the first two lines of sub-section (1) thereof and substituting therefor the follow-

ing:—“23. (1) The member may appoint any person through whom any crops produced by a farmer shall be marketed and any person so appointed shall comply with all orders issued to him by the member relating to—(a) the expenses which may be incurred, and the charges which may be made, in connexion with the marketing of such crops; and (b) any other deductions which shall be made from the proceeds of such marketing; (b) by deleting the word “Board” which appears in the 3rd, 11th and 12th lines of paragraph (b) thereof and substituting therefor the word “Member”; (c) by adding thereto the following paragraphs:—(c) by inserting immediately after sub-section (2) thereof the following sub-section:—“(3) Any order issued under the provisions of sub-section (2) of this section may provide for the deduction by such person or the Agency, from the net price to be paid to any farmer in respect of any crop, of such sum by way of penalty for delivering to such person or the Agency any crop containing a noxious weed within the meaning of the Suppression of Noxious Weeds Ordinance, 1935, as may be specified in such order, and for the disposal of any money so deducted; (d) by renumbering sub-sections (3) and (4) thereof as sub-sections (4) and (5) respectively”.

The question of the amendment was put and carried.

The question of the clause as amended was put and carried.

Clause 6.—MAJOR CAVENDISH-BENTINCK moved: That the Bill be amended by inserting therein the following new clause.—“6. Section 39 of the principal ordinance is hereby amended by inserting therein, between the word ‘Board’ and the word ‘or’, which appear in the 3rd line thereof, the words ‘or to the Member’”.

The question was put and carried.

*Miraa Control Bill*.—Clause 3: ARBITER DONALD DECKER moved: That sub-clause (2) of clause 3 be deleted and the following sub-clause substituted therefor:—“(2) Subject to any general or special directions of the Provincial Commissioner of the Central Province, any

native authority within the Meru District may grant to any native of the Meru District residing within such district, and any native authority within the Embu District may grant to any native of the Embu District residing within such district a permit in writing—(a) to cultivate or plant miraa within the Meru District or within the Embu District, as the case may be, or, being the occupier of any land within the Meru District or the Embu District, as the case may be, to allow miraa trees or plants to grow or be upon such land; (b) to sell miraa to natives or otherwise deal in miraa with natives, within the Meru District or within the Embu District, as the case may be; (c) to purchase, consume or be in possession of miraa, within the Meru District or within the Embu District, as the case may be: Provided that no permit granted under the provisions of this sub-section shall authorize any person to sell or supply miraa to any native of the Meru or Embu Districts who is below any age grade which the Provincial Commissioner of the Central Province, by notice published in the Gazette, may specify”. That sub-clause (4) of the new clause 3 be amended by substituting the words “Meru or Embu Districts” for the words “Meru District” wherever they occur. That the following new sub-clause, to be numbered (5), be added to new clause 3.—“(5) In this section the expression ‘native authority’ means any native authority appointed by the Provincial Commissioner of the Central Province for the purposes of this section”.

The question of the amendment was put and carried.

The question of the clause as amended was put and carried.

MR. FOSTER SUTTON moved: That the following Bills be reported with amendment:—The King’s African Rifles (Amendment) Bill, the 1947 Appropriation Bill, the Increased Production of Crops (Amendment) Bill, and the Miraa Control Bill, and the following Bills without amendment:—The Provisional Collection of Taxes Bill, the Customs and Excise Duties (Provisional Collection)

(Temporary) (Amendment) Bill, the Certification of Lunatics (Forces of the Crown) (Amendment) Bill, and the 1945 Supplementary Appropriation Bill.

MR. STACEY seconded.

The question was put and carried.

Council resumed; and His Excellency reported accordingly.

### THIRD READINGS

MR. FOSTER SUTTON: Your Excellency, I beg to move: That the following Bills be read the third time and passed: The Hospital Services (European) Bill, the Kenya European Civil Service Contributory Pensions Bill, the King’s African Rifles (Amendment No. 3) Bill, the Provisional Collection of Taxes Bill, the Customs and Excise Duties (Provisional Collection) (Temporary) (Amendment) Bill, the Certification of Lunatics (Amendment) Bill, the 1945 Supplementary Appropriation Bill, the Miraa Control Bill, the Workmen’s Compensation Bill, the Minimum Wage Bill, the Petroleum Bill, the Increased Production of Crops (Amendment) Bill, and the 1947 Appropriation Bill.

I would mention that I have just received a request that the third reading of the Petroleum Bill be deferred. I think there is some misunderstanding about it. The idea appears to be in the minds of a lot of people that this is doing something radically different to what happened before, but it is merely an enabling Bill, and I do not think any use would be served by my agreeing to defer the third reading. I may say this out of courtesy to a member of this Council, because I have not had an opportunity of speaking to him personally, that if any substantial points are raised hereafter, if he will come and talk them over with me they will be sympathetically considered.

MR. STACEY seconded.

The question was put and carried.

The Bills were read the third time and passed.

**K.U.R. & H. ESTIMATES**

By leave of Council, the motion standing in the name of the General Manager, K.U.R. & H., concerning the Estimates of the K.U.R. & H. for 1945, 1946 and 1947, were deferred until the next sitting of the Council.

**ADJOURNMENT**

His Excellency intimated that while Council would adjourn until the 14th January, 1947, the date would be dependent on the sittings of the Standing Finance Committee and the completion of their work.

Council adjourned till 10 a.m. on Tuesday, 14th January, 1947.\*

\*NOTE.—The date was subsequently changed to 21st January, 1947.

**Tuesday, 21st January, 1947**

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 21st January, 1947, His Excellency, the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

**ADMINISTRATION OF OATH**

The Oath of Allegiance was administered to W. Johnson, Esq., Commissioner of Customs; C. H. Thornley, Esq., Acting Deputy Chief Secretary.

**MINUTES**

The minutes of the meeting of 6th December, 1946, were confirmed.

**PAPERS LAID**

The following papers were laid on the table:—

By MR. TROUGHTON:

Standing Finance Committee report on Schedule of Additional Provision No. 2 of 1946; Report of the Land and Agricultural Bank of Kenya, 1945; Report of the Kenya, Uganda and Tanganyika Savings Banks, 1945; Financial Report and Statement for 1945; Report of a Committee on Railway Realignment.

By MR. MARCHANT:

Comparative table of revenue and expenditure of local native councils, 1945.

By DIRECTOR OF AGRICULTURE (MR. BLUNT):

Department of Agriculture Annual Report, 1945.

By MR. BOYD:

Public Works Department Annual Report, 1945.

By MR. MORTIMER:

Report of the Commissioner for Local Government, 1945.

By MR. WILLOUGHBY:

Posts and Telegraphs Department Annual Report, 1945.

**ORAL ANSWERS TO QUESTIONS****No. 85—FILM CENSORSHIP**

ARCHDEACON BEECHER:

(a) Is Government aware of the dissatisfaction of a considerable number of Africans at the present system of film censorship, in particular in respect of the refusal of the censor to allow Africans to see a film based on Treasure Island, a book which thousands of African school children have read? Will Government please undertake to revise the law as it affects film censorship so that it can be operated on a non-racial basis?

MR. MARCHANT: (a) The Government is aware that there is some dissatisfaction among certain Africans regarding the present basis of film censorship and is giving consideration to the amendment of the law.

(b) The film "Treasure Island" was first shown in this Colony in 1936, when it was passed for limited exhibition. This film was returned to the Colony recently and was shown to all races in Nairobi, but the management of the Regal Cinema, Mombasa, acted on the 1936 censorship licence and in consequence Africans were debarred from seeing it. Instructions are being given to avoid repetition of such an occurrence.

ARCHDEACON BEECHER: Arising out of that reply, Your Excellency, will Government expedite a matter which has been under consideration for an exceedingly long time, and see that the law regarding film censorship is revised immediately in order to remove this disability?

MR. MARCHANT: I can give that assurance.

**No. 88—AFRICAN TRIBUNAL COURTS**

ARCHDEACON BEECHER:

Will Government please indicate, either by a paper laid on the table of the Legislative Council or by a Sessional Paper, or by some other means: (a) what steps have been taken, (b) what steps are about to be taken to implement the general proposals which arise from the Legal Adviser's study and report, in particular regard to the improvement of African tribunal courts?

MR. MARCHANT: The Phillips Report on Native Tribunals, which was published a little over a year ago, contains proposals for an extensive reorganisation of the native tribunal system. The most important of these proposals may be classified under three heads: (a) proposals concerning the selection and training of African personnel; (b) proposals concerning the constitution and machinery of the judicial bodies, including the appellate authorities; and (c) proposals concerning the development of native law.

Immediately after the publication of the report, steps were taken to promote the necessary study and discussion of the proposals under each of these heads.

In particular, administrative officers have examined the implications of the proposals, and African opinion has been sought through the local native councils.

The Provincial Commissioners, at a meeting in October last, recommended the establishment of Session Courts and a Court of Revision. They also recommended that the necessary draft legislation should be prepared, with a view to further discussion.

It is hoped that it will be possible within the next six months to issue a more detailed progress report—possibly in the form of a memorandum accompanying the suggested draft Bill.

**No. 89—CONGO BASIN TREATIES**

MR. VASEY:

Can Government state: (a) does it regard the Congo-Basin-Treaties as effective at present; (b) if the answer is yes, is Government prepared to advise H.M. Government that the time has come for revision of these treaties in the light of altered circumstances; (c) if the Government cannot answer these questions will they ask H.M. Government for a statement of the position which deals with both questions?

MR. TROUGHTON: (a) Yes, sir.

(b) No, sir, as it is understood that preliminary examination of the future status of the Congo Basin Treaties in relation to the Multilateral convention which it is hoped will result in 1947 from the work of the International Conference on Trade and Employment has already been put in hand by His Majesty's Government.

## No. 90—MASAI-KIKUYU RELATIONS

Mr. MATHU:

Will Government please consider the publication in full of in summary form the recent findings undertaken by Mr. Arthur Champion on the subject of the relations between the Masai and the Kikuyu in the Ndeiya area?

Mr. FOSTER SUTTON: It is not proposed to publish the findings of Mr. Champion's inquiry at present. The position is that Mr. Champion recommended, on the 5th of February, that the whole cost of the levy force should be met by the Masai.

Mr. Champion's recommendation was accepted with the modification that the Keikonyukie Masai should be made responsible for additional expenditure only incurred as a result of the establishment of the levy force, and that such responsibility should not extend beyond the 20th of May.

With regard to responsibility for additional expenditure incurred from the 21st of May onwards, His Excellency the Governor has directed that the cost should be apportioned equally between the Masai and the Kikuyu; and in accordance with the provisions of section 66 (3) of the Police Ordinance, a magisterial inquiry is to be held for the purpose of apportioning this cost between the people concerned.

Mr. MATHU: Arising out of that reply, is Government aware that already the Kikuyu in the Chura division of the area have been paying Sh. 3 a head towards the Masai levy force?

Mr. FOSTER SUTTON: I am aware that some payments have been made, and if as a result of any magisterial inquiry any adjustments have to be made that will be done.

## No. 91—AFRICAN CIVIL SERVANTS

Mr. MATHU:

Will Government please state the number of Africans serving in the various departments (including the Railway Administration) who are receiving a monthly salary of Sh. 300 and over? How many of these are on Asian terms of service?

Mr. THORNLEY (Acting Deputy Chief Secretary): In the various departments of Government there are nine Africans drawing a monthly salary of Sh. 300 and over. Of these, five are serving on Asian terms of service.

As far as the Kenya and Uganda Railways and Harbours is concerned, I am informed by my hon. friend the General Manager that, while there are no Africans in that Administration whose substantive salary is Sh. 300 or over, there are some African drivers whose total monthly emoluments, taking into account allowances for which they qualify, in some months amount to as much as this. None of this latter category are serving on Asian terms of service.

## No. 93—DEFINITION OF "NATIVE"

Mr. MATHU:

Is Government aware of the objection which the African has to the use of the term "native" in the Colony's legislation? If the answer to the first part of the question is in the affirmative, will Government please take the necessary steps (a) to amend the General Interpretation Ordinance so as to define the term "African" which should be used in all future legislation of the colony in place of the word "native," and (b) to revise existing legislation so as to put the word "African" wherever the word "native" occurs?

Mr. FOSTER SUTTON: The answer to the first part of the question is in the affirmative.

Government is sympathetic towards the suggestion, but in view of the number of persons in the colony of different races to whom the term "African" properly be applied, the matter requires careful consideration. The most convenient time to effect any change is when a general revision of our legislation is undertaken, which it is hoped to place in hand during the course of the present year. The matter will then receive careful consideration.

## No. 94—LOCAL NATIVE COUNCIL ROADS

Mr. MATHU:

In view of the very bad condition of the roads in the native land units, will Government please state: (a) the

fore this amount has been provisionally set aside, and I hope that when the Second Supplementary Estimates are produced this allocation will be confirmed.

There is one other figure I wish to mention, and that is that you will notice in the provisional carry forward there is an amount of £421,721, and I propose to deal now with the general reason for that carry forward. During the war the only way in which the Administration was able to maintain the extremely heavy demands which were made upon it was to a very great extent by neglecting the maintenance of its assets.

In war time one cannot spend time and money on obtaining material, in order to keep the whole of the assets in perfect condition. They have to be used very intensively indeed, and that was particularly so in East Africa, where we are 6,000 to 7,000 miles away from sources of supply. Therefore, we propose, now that the war is over, that a very determined effort shall be made to put our existing assets back into proper condition. Therefore, this amount has been carried forward and special allotments have been made, as will be seen in my memorandum, for the overhauling of deferred maintenance. I hope that by the end of 1947, so far as the civil engineering assets are concerned, we shall have completely overtaken the deferred maintenance.

The position regarding the mechanical engineering assets is not quite so satisfactory. They, of course, were subjected to much more intensive use than the civil engineering assets, but it will be noticed that in the Draft Estimates an amount of £55,000 was set aside for the overhauling of deferred maintenance in 1947. That would represent the maximum amount of work which could be done in any one year, and it is proposed out of the carry forward to provide £160,000 spread over subsequent years, in order to overtake this accrued maintenance.

I now propose to give a general review of the situation regarding traffic. The major task during 1946 was that of denationalization, and a very large task it was indeed, because, although it is a fact that we had sent a large number

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## No. 94—LOCAL NATIVE COUNCIL ROADS

Mr. MATHU:

In view of the very bad condition of the roads in the native land units, will Government please state: (a) the

[Mr. Mathu]

sum of money expended on roads by the local native councils during the period 1940 to 1945, (b) the number of miles of hard surfaced roads under local native councils, (c) whether a road policy in native land units can be introduced without delay so as to ensure a progressive and systematic hard surfacing programme?

Mr. MORTIMER: (1) With reference to part (a) of the question it is not possible, with the present system of local native councils accounting, to indicate expenditure on roads separately from expenditure on bridges. The hon. member may, however, welcome a figure which covers both. Expenditure by local native councils on roads and bridges during the years 1940 to 1945 was as follows: 1940, £13,183; 1941, £13,502; 1942, £13,376; 1943, £20,550; 1944, £20,990; 1945, £20,930.

These figures include both capital and recurrent expenditure, but do not include an unascertainable amount representing the cost of tools and implements and certain transport expenditure. The hon. member is also, no doubt, aware that certain major district and trunk roads in local native council areas are maintained and improved by the Public Works Department from Government funds.

(2) With reference to part (b) of the question, it is regretted that no record exists of the total length of local native council roads which has been hard surfaced.

(3) With reference to question (c), the hon. member is referred to paragraph 70 of Volume 1 of the Report of the Development Committee, where a proposal is made that £75,000 be provided for improvements to roads in local native council areas. A number of local native council roads will benefit by the provision of this sum, part of which will be used for hard surfacing. Proposals for the allocation of this sum are now being prepared and as the hon. member is aware, provision has been made in the Revised D.A.R.A. Estimates, Head 9, item 6, for an expenditure on roads in local native council areas of £100,000 in 1947. The hon. member is also reminded that since 1943 the Government, as an interim measure of assistance for local

native councils, has reimbursed approved expenditure on roads and bridges, and he will no doubt note the greatly increased expenditure since that year. It is hoped that local native councils will progressively hard surface roads where traffic density justifies the expenditure, and consideration is being given to the inclusion of a system of road grants to local native councils as part of the scheme of financial assistance to local native councils which, at a later date, will be laid before this Council.

## K.U.R. &amp; H. ESTIMATES

## SECOND SUPPLEMENTARY, 1945

Sir R. E. ROBINS: Your Excellency, I beg to move: That the Second Supplementary Estimates of the Kenya and Uganda Railways and Harbours for 1945 be adopted.

This is a formal resolution. The Second Supplementary Estimates deal only with accountancy adjustments, and there is no change of policy.

Mr. TROUGHTON seconded.

The question was put and carried.

## FIRST SUPPLEMENTARY, 1946

Sir R. E. ROBINS: Your Excellency, I beg to move: That the Second Supplementary Estimates of the Kenya and Uganda Railways and Harbours for 1946 be adopted.

The estimated result of the working of 1946 will be that there is an increase in Railway revenue of £840,000 over the estimated amount, and an increase in Harbour revenue of £175,000 over the original estimate. I shall deal with that a little more fully in speaking to the next motion, but there is one other point to which I would draw attention, and that is that there is a provisional appropriation on page 3 of the Supplementary Estimates whereby an amount of £50,000 is set aside for staff funds. I would emphasize that these appropriations are purely temporary and provisional and are subject to confirmation, alteration or otherwise when the Second Supplementary Estimates are passed later on. I propose to deal a little more fully with that item when speaking to the next motion standing in my name.

Mr. TROUGHTON seconded.

The question was put and carried.



## REVENUE AND EXPENDITURE

1947

SIR R. E. ROBINS: Your Excellency, I beg to move: That the Estimates of Revenue and Expenditure of the Kenya and Uganda Railways and Harbours for 1947 be adopted.

In considering the Estimates for 1947, I should like to deal with the position which has arisen in 1946—I almost said the position that has arisen this year, but we are again rather late in taking the Draft Estimates for 1947, so that I want to deal for a few moments with what happened in 1946.

First of all, at the last budget session, when I moved the adoption of the 1946 Estimates, there was a very curious position. In Kenya it was generally thought that my budget there was a very realistic budget; in Uganda I was told that the budget was completely "plummy", which only emphasizes the great difficulty of estimating what revenue and expenditure will be in the following year when that estimate has to be prepared in the preceding June. In a debate in this Council a short time ago I was rather taken to task by my hon. friend the Member for the Coast, and also by one other member on the other side for faultily estimating. Well, my hon. friend from the Coast is very fond of asking what he calls a plain question which admits of a plain answer. Now the question in this particular case is: first, did my hon. friend know in June, 1945, that the war was going to be over before the end of the year? Secondly, did he know in June, 1945, that in 1946 there would be such a rapid resumption of shipping and that the export drive in the United Kingdom would gain such momentum? If he did, he kept that knowledge to himself, and to save time in this debate I am going to answer it for him. He did not know; neither did I. That, really is the main reason why the revenue was so much in excess of the estimated revenue.

There is a good deal of criticism which goes on about this question of estimating, and I think it would be just as well if we reviewed exactly what does happen. I saw the other day in one of our popular weekly journals that the Financial Secretary was also taken to task for wrongly estimating, and it was suggested—to put it in very suitable

language—that he should be "carpeted" for such an error in his workings! The general impression seems to be that the Financial Secretary and myself, just the kind of a number, and that is good enough for an estimate! It is nothing of the sort. (MRS. WATKINS: No!) (Laughter.) When, in fact, criticisms emanate from official members of this Council in regard to the inaccuracy of the estimates, do they realize that they are criticizing a good many of the unofficials in this country? I do not quite know what procedure the hon. Financial Secretary follows, but I do know the procedure which I follow. Apart from the records of past years, when we are contemplating the estimates for the following year, we take advice from all the major business people in this country; we take advice in regard to shipping from the shipping authorities in this country; we take advice in regard to the produce of the country from the Directors of Agriculture; we also take advice from the export shippers about their marketing conditions; so that if we are wrong we are wrong in very good company, and those who provide that information must share in the criticism. However, we are trying to do a little better this time. In any case, no irreparable harm has been done, and that very much emphasizes what I have mentioned on several occasions in this Council, and that is how wrong it would be to base our railway rating policy on estimates. You cannot base your rating policy on estimates. You must base them on actual performance, and you must regard the estimates as no more than a general guide in the general administration of the services during the forthcoming year.

I am not going to quote a lot of figures in connexion with the Railway Estimates, because I do not believe that a mass of figures can be properly assimilated through the ear. In accordance with my practice in past years, I have published a memorandum in the front of the Estimates giving the full statistical details and the full details of the financial implications of the Estimates. What I do want to do is to deal with one or two very important features in connexion with the operation of the service upon which our policy is generally based.

[Sir R. E. Robins.]

Before I do that, I should like to revert just for a moment to the question of the "provisional appropriation of £50,000 which I mentioned in speaking to the previous motion, for staff funds. The present low level of interest rates, or cheap money as it is called—and it is likely to continue, I think, for a number of years—has been of great advantage to the Administration, and therefore to the public of this country. It has enabled us to get rid of one of our most onerous loans, which I will deal with in detail in a few moments, and it will probably enable us to get rid of one or two more loans which bear a heavy rate of interest. On the other hand, the falling rate of interest has a very, very adverse effect on the staff and on the staff funds, such as the provident fund, the superannuation fund, and funds of that description, which are, in fact, self-supporting funds, and it means that the income derived from investments by those funds has fallen very considerably. Just recently, in regard to one of our major funds, there has been a review of the financial stability or otherwise of the fund by the Government Actuary in London, and in view of the falling interest rate he draws attention to the general position of that fund and indicates that consideration will have to be given to one of three courses: either an additional subvention by the Administration, or the payments by the staff will have to be stepped up, or alternatively that the benefits will have to be decreased. The very solid financial position of the Railway Administration at this time is due in no small measure to the efforts of the staff of the Administration. Those efforts have been at some cost to the staff of the Administration—some have lost their health and have had to be prematurely retired—and it seems to me, in view of the advantages accruing to the public of this country, both by the reduction in the interest rate and by the efforts of the staff, it would be right and proper if the Administration set aside out of its fortuitous surpluses £50,000 to ensure the stability of those funds in the interests of the staff. I am very glad to say that my view was supported unanimously by both the Railway Advisory Council and the Harbour Advisory Board, and there-

fore this amount has been provisionally set aside, and I hope that when the Second Supplementary Estimates are produced this allocation will be confirmed.

There is one other figure I wish to mention, and that is that you will notice in the provisional carry forward there is an amount of £422,721, and I propose to deal now with the general reason for that carry forward. During the war the only way in which the Administration was able to maintain the extremely heavy demands which were made upon it was to a very great extent by neglecting the maintenance of its assets. In war time one cannot spend time and money, or obtain material, in order to keep the whole of the assets in perfect condition. They have to be used very intensively indeed, and that was particularly so in East Africa, where we are 6,000 to 7,000 miles away from sources of supply. Therefore, we propose, now that the war is over, that a very determined effort shall be made to put our existing assets back into proper condition. Therefore, this amount has been carried forward and special allotments have been made, as will be seen in the Estimates and which I have dealt with in my memorandum, for the overtaking of deferred maintenance. I hope that by the end of 1947, so far as the civil engineering assets are concerned, we shall have completely overtaken the deferred maintenance.

The position regarding the mechanical engineering assets is not quite so satisfactory. They, of course, were subjected to much more intensive use than the civil engineering assets, but it will be noticed that in the Draft Estimates an amount of £55,000 was set aside for the overtaking of deferred maintenance in 1947. That would represent the maximum amount of work which could be done in any one year, and it is proposed out of the carry forward to provide £160,000 spread over subsequent years, in order to overtake this accrued maintenance.

I now propose to give a general review of the situation regarding traffic. The major task during 1946 was that of demobilization, and a very large task it was indeed, because, although it is a fact that we had sent a large number



[Sir R. E. Robins]

of these troops out of the country over our transport system, and though it is a fact that large numbers of Imperial troops were brought from the port over our transport system during the war, these movements were relatively spread over a fairly long period. When the war ended abruptly the position changed materially, and we were faced with a situation of having the same amount, or a little less, rolling stock available as we had in 1939, but we had the troops arriving by troop ships in very large numbers at Mombasa. We not only had to transport them to the main centres in East Africa, but after they were discharged, so far as the African troops were concerned, we had to provide transport to distribute them throughout the three East African territories, and, in so far as the Imperial troops were concerned, we had to provide transport for them to the port to join their ships for the United Kingdom and elsewhere.

Up to the end of August, which is the latest date for which I have got figures, we moved very nearly a quarter of a million soldiers and sailors and, in addition to that, we provided transport for 37,000 prisoners of war and civilian internees who were being repatriated. That was done with no interference whatever with the public passenger services of this country, and I regard that as a very notable achievement, and we were able to assist the General Officer Commanding in achieving his aim that demobilization should be finished in East Africa by October. (Hear, hear.) There was some little difficulty in regard to goods traffic on Lake Victoria during this period. Owing to the necessity for providing lake transport for African demobilized soldiers returning to their homes, it was realized that there would be some interference with the usual lake steamer services, especially as it was the opinion of the Army authorities that one ship at least should be set aside for this purpose alone. Before my decision was taken, I consulted the three East African Governments, pointing out that this might lead to some difficulty in clearing goods traffic around the shores of Lake Victoria, but, the Governments—in my opinion rightly—decided that demobilization must have first priority. There was some small congestion at the northern

end of Lake Victoria as a result, but I am very pleased to say that we have overcome that and do not anticipate any further difficulties in that area.

The war being over has not seen the Administration over its difficulties—I believe—in fact I know—that the difficulties are greater now than they were during the war.

I will deal first of all with the fuel position. The locomotive fuel position has been a constant headache to me since the war was over. A short time ago the position was so precarious that I felt it my duty to advise a number of the members of this Council how serious the position was, and to indicate to them that we had very little stock of locomotive fuel on hand. With the assistance of the authorities here and the authorities in England, we were able to divert a ship in the Indian Ocean into Mombasa. That ship, with approximately 9,000 tons of coal, arrived on a Sunday evening; at the time the ship arrived we had enough coal in this country to last until Tuesday morning. That is not the only occasion of this sort. I have refrained from disturbing the public mind by publishing these details, because I could not see that any good purpose could be achieved, nor could I see that I could receive any more assistance than I was able to get over this coal supply. But it is an illustration of the very great difficulties which the Administration is facing since the end of the war. During the war we had this additional advantage, that in the last resort we could, in the general interests of the successful prosecution of the war, argue that our supplies must be maintained. We can no longer argue on those lines, although I for one think we ought to tackle the peace with the same zest and energy with which we tackled the war.

While dealing with the fuel question, I should like to inform members of this Council that a decision has been taken to convert coal-burning locomotives to oil burning, from January 1st, 1948, and I hope that we may extend the use of oil as locomotive fuel after that date, which will have many advantages, not an unimportant one being that it should put an end to the grass fires caused by sparks from locomotives. (Hear, hear.) But, in making that announcement, I

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should like to emphasize that that decision was taken solely on economic grounds, and I think it only right and proper that I should here pay tribute to the assistance and help I have received from the coal contractors over a number of years. When I was saying just now about the difficulties in obtaining locomotive coal, I should make it perfectly clear that those shortages were in no way due to lack of effort or assistance by the coal contractors. I have had the maximum assistance from the coal contractors, and in many ways I regret that an association lasting over twenty years has had to be broken, but it has been broken solely as a public duty on economic grounds and in the interests of the transport users in East Africa.

Another grave difficulty is the perennial one, the water question. Although the short rains this year were very good, it has by no means alleviated the position so far as the water requirements of the Administration are concerned, and we are struggling on almost from day to day in trying to maintain adequate supplies of water. Furthermore, this enforced economy in the use of water brings a great many other difficulties in its train. In an endeavour to use as little water as possible, we postpone boiler wash-outs, which results continually in engine failures. I feel that, somehow or other, this question must be tackled in a very large way. We are getting larger and larger locomotives which require more and more water; our traffic is getting to a very high level; and it is in the interests of every community in this country—Europeans, Asians and Africans—that every facility should be given to the Administration to obtain its water requirements. I have always advocated, for many, many years, that I think the right policy in a country of this description is a Central Water Authority, but that Authority must be a high level Authority which will take into consideration the claims of all those who require water, and not say at the first shortage that it is the Railway which has got to go without in order that there shall not be criticism from the public, because, sooner or later, we shall fall down on the food supplies for Nairobi through lack of water and the inability of the Railway Administration

to maintain an adequate service. I can assure hon. members that at any one time the food supplies in Nairobi are not more than would last a matter of days. So I regard this water question as probably one of the most important questions to be dealt with in this country, and I can assure any Authority which is set up my loyal co-operation in any endeavour to improve the general water situation throughout the whole of Kenya—I would even go so far as to say throughout the whole of East Africa.

Dealing now with the question of rolling stock, and particularly the passenger rolling stock, I am aware of the very uncomfortable conditions under which passengers of all races travel today. No one would be more willing to do something to alleviate the position than I myself, and the fact that these uncomfortable conditions persist is in no way the result of want of effort on my part. I have done everything that is reasonable and humanly possible to get additional rolling stock, but the fact is that we are dependent on suppliers overseas, and the manufacturers in England of rolling stock, and elsewhere, have orders on their books which they tell me will take years and years to execute, and we have got to take our place in the queue. There is really nothing more that can be done but to try and keep our name as high up on the list as is possible. But I must speak quite frankly about it. I hope we may be able during 1947 to obtain some additional third class coaches, I am hoping as many as 50, which will relieve the overcrowding in the third class. So far as other classes of stock are concerned, to speak quite frankly, we have not a hope of getting anything under two years from now, and I can only plead with the general public for their sympathy rather than their criticism. No one can do anything more than I have done. What I am trying to do is this, if I can get supplies, to refurbish our existing stock as much as possible, but again that is extremely difficult because while the numbers travelling remain so high the coaches can never be at rest, and to refurbish and refurnish means that we must withdraw them for a number of weeks, perhaps months; furthermore, there are not supplies in hand to do this, but it is my intention to do what

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I possibly can, though what I can do will not relieve the existing overcrowding.

I think hon. members would sooner know the truth than that I should pretend I am just on the verge of doing something wonderful and about to produce something like those alluring drawings and sketches of what is being provided for passenger accommodation in the United Kingdom or by the B.O.A.C. in their aircraft, but I cannot do it, and there are no means of doing it any better than I am doing at the present moment. I am terribly sorry about it, for many reasons, not the least of which is that I myself should not like to travel in such uncomfortable conditions. Another thing is that I am very conscious of the need for rail transport to attract the goodwill of the travelling public. It seems very hard that I should run the risk of losing that goodwill through circumstances entirely beyond my control.

The general supply position is equally bad, particularly in regard to steel tyres and rolling stock, boiler tubes, and so on. A short time ago I cabled to railways all over the world to see if they could help us out in regard to steel tyres, and the South African Railways generously came to our assistance. They gave us a very small quantity, but the spirit was there, and they came to our assistance. (Applause.) But the position is still precarious and, in fact, quite grave, much worse than it ever was during the war, and I have received a communication from the Secretary of State indicating that the Iron and steel organizations in the United Kingdom are not likely to be in a position to meet our requirements, except the most urgent requirements, for some time to come. This again, is very, very serious. It falls on the senior officers of the Administration, and I think it is only right that the public should know under what difficulties we are carrying on the service at the present moment. The public have got used to the Administration producing rabbits out of the hat, and they are still trying to, but the number of rabbits is being rapidly reduced.

Another point, of course, in connection with all this is that prices and

costs are going up, and they are rising to an alarming degree. The cost of supplies is phenomenally high at the present moment. This is a matter over which I can exercise no control, but it is a matter which is giving me grave concern in regard to the position of keeping our railway rates and charges as stable as possible. I am hoping, by economies in other directions, that we will be able to keep costs generally under control and that we may be able to avoid any question of having to consider an increase in rates, but it must be generally understood that these costs are alarmingly high at the present moment.

Finally, the Administration realizes the very serious housing situation, and the Railway Advisory Council and the Harbour Advisory Board have recommended to the High Commissioner who has accepted their recommendations—a large scale expenditure on housing the staff. When I am speaking about the housing situation I do not mean only European housing. Funds are made available, large funds, for European housing, Asian housing, and African housing, and in Mombasa, in 1942, when I returned to Kenya, I set myself a target—that I would try and produce as quickly as possible housing accommodation for a staff of 2,000 Africans in Mombasa. I am very pleased to say that I have achieved my aim in that particular respect, and I have housing accommodation for approximately 2,000 Africans in Mombasa. I was fortunate in being able to buy from the Navy the Liwatoni Camp, and by the expenditure of several thousand pounds on improvement there that completed my task. I am not going to say that the housing is ideal or that it is of the detached cottage type, but the fact is that the housing is there, and roofs provided for the heads of our 2,000 workers, with protection from the elements. In addition to that, there are funds available—approximately £50,000—by means of which we hope as soon as possible to replace some of the temporary housing with more permanent housing, and to get on with it, but it depends a good deal on the question of the land and supplies and materials. I am, however, hoping a start will be made on replacing the temporary houses by permanent houses early this year.

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I would now like to pay my tribute to the Railway Advisory Council and Harbour Advisory Board. I regard these two bodies as the two most important public bodies in this country. Not only do they advise the High Commissioner on matters of policy, but they are of great assistance to me personally, and I must thank them for the very courteous way in which they deal with representations which I make to them.

Finally, we struggle on, and it is a struggle, and we struggle without that patriotic incentive which we all had during the war in order to bring the war to a successful conclusion. But I should like, if I can to stimulate a patriotic endeavour on the part of all of us to make as successful the peace as we were successful in the war. (Applause.)

MR. TROUGHTON seconded.

MR. COOKE: Your Excellency, during the war I allowed that critical faculty, which I am sometimes reputed to possess, to lie dormant, and I refrained from any very active criticism in this Council of my hon. friend. Now, to-day, I am also somewhat stymied because, like my hon. friend, I have no intention of making any reference to events which are taking place in a certain place to-day. I am rather surprised that my hon. friend treated so seriously the light chaff which I administered to him during the budget debate. Of course, no one would suppose that even the hon. gentleman, with all his reputation as an economist, could have foreseen in June, 1945, what the surplus balance was likely to be, but I think it is reasonable to suppose, that the hon. gentleman, when he made his speech this time last year, might then have been in a position to give us an indication as to the probable size of that balance. If he had been, say, quarter of a million out it would have been unreasonable to criticize him, but in fact my hon. friend was over three quarters of a million pounds out in his reckoning! I think, behind that rather cherubic countenance, there lurks a good deal of political and financial guile, because it was to the hon. member's advantage, of course, I would never make such aspersions!—but it was to his advantage to estimate as low as possible, and then, of course, he would not be criticized in

this Council for not bringing in those reasonable improvements which some hon. gentlemen on this Council at that time pressed for.

There are a few points which I should like to deal with in the hon. gentleman's speech. He made, in regard to water requirements, certain disparaging remarks about the Water Board, of which I happen to be a member. (Laughter.) I do not know whether the hon. gentleman was inspired to make those remarks for that particular reason—I think it would be impertinence on my part to assume he did—but I can assure the hon. gentleman that, so far as the members of that Board are concerned, they regard themselves as a semi-judicial committee which weighs various claims and is not influenced by an extraneous factors whatsoever. My own feeling is that the hon. gentleman is like the character in Shakespeare, "methinks the lady doth protest too much", and that he has a guilty conscience on this matter. Of course, naturally the Water Board is not going to make special concessions in its favour and to deprive European and African users of water of that precious liquid in order that my hon. friend could build up large surplus balances. I know a good deal of this country, having been now, I regret to say, 30 years in it, and I know of the great scarcity of water, but it has always seemed to me in dealing with my hon. friend that he is outwitting with my hon. friend that he is outwitting to save the Railway Administration's expenses at the expense of the community at large. His is a very wealthy corporation, and he only got to instance the dispute over the Voi River about a year ago, and I felt at the time that to deprive Africans of their water, when the hon. gentleman had probably not made as extensive a search for alternative water as he might have, would have been a grave dereliction of duty on the part of the Water Board.

With regard to passenger travel, my hon. friend is inclined, I think, to accuse me of being wise after the event. In this case, as indeed in a good many cases, I have been wise before the event. And when the hon. gentleman gave an extremely, if I may say so, interesting and able talk on the wireless when he was in England two years ago, I went to considerable pains to write to the hon.

[Mr. Cooke] gentleman and to make certain suggestions with regards to the improvement of passenger coaches in this country, and his reply was this. One of the points that I made was in regard to lighting. As every hon. member of this Council knows, you cannot read in a passenger coach—certainly up to a few months ago—firstly, because there were no bulbs (that, of course, is a matter which the hon. gentleman could not probably redress), but secondly, because the lights are so badly situated. So I wrote to my hon. friend and suggested that these lights might be placed behind the heads of the passengers who travel in the coaches, and his reply was—this was only one of many suggestions, I am not going to bore Council with any more— that orders had already been given and it was too late to change. I find it difficult to fit that in with what the hon. gentleman just now said to the effect that he is not yet in sight of supply. Surely if two years ago it was too late to change, and to-day he is not within sight of supply, I suggest that the hon. gentleman perhaps might be able, even at this late date, to give passengers these reasonable facilities.

The hon. gentleman spoke of patriotic incentive. I am one of those—and I have said it *ad nauseam* in this Council—who believes that although the war in Europe is over, we have a big war in front of us here, a war against those who are destroying our national resources. There are people on this side of Council who at times are reluctant to spend money and who are rather inclined to take up a defeatist attitude over such fine suggestions as those in the Development Committee's Report: So I would like in this respect to join wholeheartedly with my hon. friend and to reinforce his plea that we go forward, spending wisely and prudently, but not being in any way deterred from spending money and from putting into effect great construction schemes through any feeling of defeatism.

With those remarks I should like to support the motion.

MR. PATEL: Your Excellency, in the first place I should like to congratulate the hon. General Manager and the staff of the Railway Administration for the

splendid way in which the work has been done during the last seven difficult years. At the same time, I should like to say that the Railway Administration has not sufficiently appreciated the services of the staff, who have done in most cases what is reasonable; I particularly refer to the Asian staff in the Railway Administration, whose complaints have not been examined for a long time, and nothing has been done to meet even their reasonable requirements. The Asian staff in the Railway Administration have submitted their point of view many times, particularly on certain urgent matters. One is that the grades have been so provided, particularly at the time of the depression in 1932 and 1933, that they stagnate at certain salaries for years, and they feel a sense of frustration, and their efficiency certainly deteriorates. Something should be done to see that that kind of stagnation is removed from the scale of salaries.

At the same time in these days, when we are talking of social security and so on, the Railway Administration should consider the case of the daily paid artisans who are required for practical purposes in the permanent service. In cases where they have been working for several years they should be taken on the permanent staff. It is not right that these unfortunate people should not have regular scales of salary and should not enjoy privileges of leave, etc. Further, there should be some provision whereby encouragement is given to the Asian staff to rise to higher grades according to their ability. I know of instances where they have left the service in disgust because their ability was not recognized on account of the colour of their skins. I suggest that it is high time the Railway Administration introduced some form of competitive examination, and granted scales of salary according to ability and efficiency and not according to the colour of a person's skin. This Railway Administration is a very wealthy corporation and should set an example for good employment and satisfactory terms of service.

I was very glad to hear from the hon. General Manager that he will be able to secure 60 third class coaches, because I know, through travelling myself from Mombasa to Nairobi three or four times a month, that the conditions for the

[Mr. Patel] third class passengers are awful. They have required looking into for a long time, and I am happy that they have got precedence over the first and second class passengers. I hope that these coaches will be better than those we have had up to now in this country.

I was very glad to hear from the hon. General Manager that the work of the Railway Advisory Council and the Harbour Advisory Board required special mention. I have no doubt that they deserve the tribute which the hon. General Manager has paid to their work; but I should like to repeat what has been said from the Indian side of this Council time and time again, and that is that in Tanganyika they have two Indian members on the Railway Advisory Council. Uganda also now has, though late, appointed one Indian member. If is only Kenya that has thought fit to consider that appointments are made only on merits, and therefore there is no merit in any Indian being appointed to the Railway Advisory Council. Any corporation run by those who are shareholders will admit, without reservation that the shareholders have a say in the management of their corporations, and it will be admitted, I suppose, without grudge by the hon. General Manager that Indians are the users of this railway and as such they should have some voice in the management, at least in tendering advice to him, and I hope that, unless some sinister racial influence is working in this Colony, this Colony will follow the suit of Uganda and Tanganyika in making the appointment of an Indian member on the Railway Advisory Council and the Harbour Advisory Board. If that is not done, one will irremediably come to the conclusion that it is difficult for the Administration in this country to shake itself off the influence of the European community who demand that no Indian should be appointed.

Before I sit down I should like to mention two things about Mombasa, and that is that it is necessary to provide some shed in the port area where passengers who land from ships can wait comfortably until they are allowed to leave the port area. The other is that, considering the importance of Mombasa, and considering that many people who pass

through Mombasa by sea, visit the Island, it is high time something was done to formulate a plan for building a railway station in Mombasa. I think the present station gives a very poor impression to visitors from outside. I do not say we should plan anything very elaborate, as was intended in 1929 when a building plan costing £500,000 was prepared. No, but some decent buildings and station should be put up as early as possible in order that visitors from overseas may not get a poor impression of the place.

With those comments, I beg to support the motion.

MRS. WATKINS: Your Excellency, I rise to support the motion, and I have only a few remarks that I want to make. One of them is that I very much hope the hon. General Manager will change his mind on the small details of blankets for school children travelling on the trains. I understand that blankets are not allowed at present for people who are not paying full fares; and as children going to school have a remission of part of their fare they have been refused blankets. I am told that the regulations do not permit this being done, and I was shown it on the evening when I was having, if I may call it that, a little bit of a fracas about blankets on the train. I know I am going to have a good deal of back chat from the hon. General Manager, if I may say so, on the subject of that night when I went round and purloined from them half of their blankets for children who had arrived at the station without any blankets at all, and who were wearing thin cotton frocks and shorts and were going up-country by train on a freezing night. I took blankets, two from everybody who had paid for them, to keep these children warm. It is not, of course, a desirable thing to do; I realize that. I therefore wonder whether the Railway Administration could not see its way to preventing me doing this in future by allowing the children to draw blankets against payment. Any responsible matron of my age would have done exactly the same thing where children were cold, and the only way to avoid it is to supply blankets. I know the hon. General Manager will say that the parents ought to supply them, but some times children do not return to school

[Mrs. Watkins] direct from their parents as they may be at the coast.

The hon. member, in reply to a question of mine, also said he had not got the storage for blankets, and did I know and the Council know that he has to move 1,500 children six times a year to and from school. I should like to deal with that, 1,500 question first. They do not all travel at night, and I am not asking that each of those 1,500 children should have blankets. I am asking that every bunk on the train should be supplied with one lot of blankets if necessary, because if the children are small enough they can share a bunk and the blankets. Storage—the hon. member said something about the storage not being sufficient, but I should think, if I may be so impertinent to suggest it, from my intimate knowledge of the goods sheds, that there might be a cage in which the blankets could be stored during the times they were not wanted, and that on the train one top bunk in each compartment could be kept down and the bedding rolls kept on it if necessary.

I am only going into these details because I think we are too easily defeated by difficulties that ought to be surmounted. I should think that the hon. General Manager when he was very young, some time ago, like myself, probably had to learn that bit of poetry about "The Noble Six Hundred"—"They but to do or die, they're not to reason why—someone has blundered". If a parent or teacher blunders and does not have blankets for a child, we still do not want that child to catch pneumonia—because there are no blankets. The E.A.W.L. feels very strongly about it, and until I saw the railway estimates I was going to make an offer: that the League of Mercy should buy blankets if necessary! But that is probably unnecessary (Laughter.) I fully understand and sympathize with the hon. General Manager's extremely clear explanation of the uncomfortable conditions persisting for travellers, but I wonder if he visualizes that one of those very uncomfortable conditions might be mitigated even now, that is the collection of children for the school trains all through the night. I should have thought that between Nakuru and Nairobi the children might be collected for one of

the day trains, by arrangement with the schools. At present it means that parents have to travel at eleven or twelve at night with small cold children down to the station, on extremely slippery roads lately, and it seems quite unnecessary to embark children at three in the morning for the short trip between Nakuru and Nairobi. Some arrangement might be made for that. While blankets are not allowed to school children, I have been told that school boys have been buying whisky on the train. I submit that that should be regulated, that nobody should be allowed to buy any alcohol on trains under 16 years of age or while at school. One small eleven-year-old girl went off and consumed three bottles of beer. (Laughter.) That should be stopped. Cigarettes are also being bought and consumed by the children until they are sick. I think that people should be prohibited from selling children alcohol and cigarettes on the train.

One other point I want to raise, and I do not know quite what to link it up to in the estimates. (Laughter.) But as this is the railway budget perhaps I can deal with it all the same—it is the transport of animals. While the hon. General Manager and his staff are very careful that they do not do anything to instigate or cause cruelty to animals in transport, they do cause a great deal of unnecessary suffering by one or two of their regulations. As the railway is a common carrier, they cannot refuse to carry animals if they are improperly crated, but they should not only be empowered to refuse such cases but should be responsible for the feeding. I do not know a great deal about the case when a great many cattle died on the railway (I think it is *sub judice* at the moment), but I do know that 97 monkeys were put on a train, when they should have been refused because they were improperly crated, and that was sent by Government consignee. (Laughter.) The cruelty was enormous, several died *en route*. One of the cruelties that did come through the Railway Administration's lack of appreciation of the situation was that they were put in a hermetically sealed truck. A member of the R.S.P.C.A. at Mombasa saw the wretched monkeys; they were wounded and gasping, and he tried to have them put in an open truck, but was not allowed to put them into

[Mrs. Watkins] anything but a hermetically sealed truck. The railway people promised to keep the doors open but did not, and I have got the report of these monkeys when they arrived—(laughter)—(A MEMBER: From the monkeys?)—it came from the Railway Police (laughter)—from the veterinary officers to myself, and I think the station master at Nairobi was extremely distressed. The Administration, I should think, ought to be held responsible, if they are accessories after the fact, for cruelty. I'm told by advocates of the railway that it cannot be done, at any rate it will not be done, but I do submit that some regulations should be there to see that animals are carried in airy trucks and that there is the right of refusal of animals which are improperly crated. I have been told by one of the railway servants that cruelty to fowls travelling on the railway is tremendous because the natives send them from one place to another without any kind of proper crating. I do submit that animal transport on the railway wants a great deal of investigation and some of the regulations amended.

One other point, on which I want to congratulate the hon. General Manager, and that is on the catering department. I think that the railway meals which we get now, though very much shortened and incidentally very much cheaper, are quite excellent, and I did hope that even after the war is over (laughter) or the war conditions go, it does seem to me that we do not want these enormously heavy meals on the railway. We appreciate them as they are at the moment. I should like to congratulate the catering staff on the very good job of work they have done for us all. I should also like to pay a tribute to the extreme courtesy and kindness that I always get at the railway station even when I am on one of my unpleasant trips about monkeys or children without blankets; I always get courtesy and help. I have had to be quite objectionable at times, but it is never pointed out to me in so many words at any rate! and I very much appreciate it.

Mr. NICOL: Your Excellency, there are only four points that I want to touch on.

I am sure we all share the disappointment of the hon. General Manager

when he finds he is unable to get first-class rolling stock before somewhere round about 1949, and that does, perhaps, raise a question to which consideration might be given, and I throw it out for what it is worth, so that we shall not find ourselves in this position again in the future because, of course, it cannot take place immediately. Would it not be a good thing to go into the question with the Tanganyika, Rhodesia, Nyasaland and South African railways for the setting up of shops for the making of rolling stock which would be suitable for the railways in this part of Africa and the south? I think that in the event of any trouble in the future in the north, if we are cut off or anything like that, and we could get our rolling stock from the south, it would be of strategic importance.

The second point is that I should like the hon. General Manager to give serious consideration to the point brought up by the hon. Member for the Eastern Area, and I think it was also touched on by the hon. Member Dr. Rana in his budget speech, the question of a passenger berth at Mombasa. At present passengers are disembarked at whatever particular quay is available and have to go into sheds which are very hot and to a newcomer to the country it does not give a very good impression. I am sure that if a proper passenger berth could be set aside where a ship coming in could discharge its passengers and baggage, and the baggage could be handled and examined in a comfortable airy room for customs purposes, it would go a long way to keeping the travelling public happy.

I, too, would like to pay tribute to the staff of the Administration, and particularly to the running staff. The staff on the trains are excellent, and one gets unflinching courtesy from everybody one deals with.

In conclusion, may I just support the hon. Member for Kiambu in the plea for airy trucks for hairy monkeys? (Laughter.)

SIR A. VINCENT: Your Excellency, very briefly, on behalf of my colleagues and myself, I should like to pay a very sincere tribute to the hon. General Manager and the Railway Advisory Council and their staff for a very hard job of work very

[Sir A. Vincent] well done (applause), and support the motion before Council.

MR. TROUGHTON: Your Excellency, may excuse for intervening in this debate is that I am a member of the Railway Advisory Council and chairman when it sits in Kenya.

The hon. member Mr. Patel raised the question of the composition of that Council which, incidentally, is in no way the responsibility of the hon. General Manager. It is your responsibility, sir, as Governor of this Colony. The Railway Advisory Council is essentially a business body to deal with matters of high policy connected with the business of the railway, and it would, I submit, be entirely wrong that the composition of that Council should be dictated by racial considerations. (Hear, hear.) You, sir, appoint to that Council representatives of this Colony chosen on the basis of personal ability to represent this country's needs and this country's requirements. In point of fact, the representatives are a farmer and a commercial man, and if the hon. member Mr. Patel is in any way worried that the needs of the Indian community would not be represented, he can put his fears to rest because, in fact, there is an Indian member of the Council nominated by Uganda who sits on it. (MR. PATEL: I know that.)

The hon. Member for the Coast mentioned two points with which I wish to deal.

First of all, he referred to the railway revenue estimates. It is true, as my hon. friend the General Manager said, that this estimate was produced in June, but it was also approved by the Railway Advisory Council in October, and I should like to congratulate the hon. General Manager on being only £750,000 out. I think it is a remarkable performance (laughter), and I wish I was in the same happy position! (Laughter.) (MR. COOKE: Fellow feeling makes us wondrous kind!) It does, but the kindness will soon cease! A curious fact is that I was more than that out, although I had the benefit of the advice of the hon. gentleman himself, who stuck his name to the Colony's revenue estimates and I should congratulate the hon. along with my own, so that I think he General Manager on the accuracy of his

estimate in the peculiar circumstances of these days!

The hon. member then went on to talk about water. Water is not a subject on which I profess to be particularly expert (laughter), but he showed, I suggest, a certain confusion of thought, if he will forgive me saying so, because he suggested that the Railway Administration required water supplies in order to build up large surplus balances, and he referred to the Railway Administration—

MR. COOKE: If I might rise on a point of personal explanation?

HIS EXCELLENCY: I am afraid it must be done on a point of order.

MR. COOKE: On a point of order, sir (laughter), I said he was saving money by not finding water in those arid regions and by that means was enabled to build up surplus balances.

MR. TROUGHTON: I gladly accept the hon. member's explanation.

SIR A. VINCENT: On a point of order? (Laughter.)

MR. TROUGHTON: I beg your pardon. (Laughter.) The hon. member referred to the Railway Administration as a wealthy corporation—I think those were his exact words—and as he said himself a moment ago cheap water has been one of the factors in building up what he regards as the wealth of that corporation. He went on to make the point that water should be used for the benefit of the community. Now, sir, I think that the hon. member, if he really thinks for a bit, will agree that you cannot distinguish between the Railway Administration and the community as a whole. The fact is that the Railway Administration runs solely for the benefit of the railway users, and there is no person, there is no member of this community—black, white or brown—who is not in some degree or other directly or indirectly a user of the railway.

MR. COOKE: On a point of order, the hon. gentleman is unaware of the Water Ordinance by which domestic requirements come first in priority.

HIS EXCELLENCY: On another point of order, I think it would be an advantage if we continued the discussion of the

[H.E. the Governor] the motion before Council rather than on extraneous matters like the water supply. (Laughter.)

MR. TROUGHTON: That, I think, is sufficient about water. (Laughter.)

Finally, I should like on behalf of the Railway Advisory Council and on behalf of Government to pay a very warm tribute to the work carried out by the Railway Administration right from the hon. General Manager at the top to the people at the bottom during the past year. (Hear, hear.) They have done a tremendous job of work in connexion with demobilization and only those of us on the Railway Advisory Council who have studied the figures can possibly have any real idea of the difficulties they have had to surmount and of the remarkable way in which those difficulties have been surmounted. (Hear, hear.)

I support the motion.

SIR R. E. ROBINS: Your Excellency, I think the members of the Council very sincerely for their congratulations on what my staff and senior officers were able to achieve, both during the war and in the past year. I will, however, deal with one of two of the points raised, and if I may for a moment mention the word "water." I should like to deal with that. First of all, I intended no disparagement of the members of the Water Board. I am not criticizing them in any way. The point I was really trying to make was that some undertakings in this country should be the owner of the water rather than a series of undertakings owning their own water supplies, not because I am dissatisfied with the action taken by the Water Board nor resentful of criticisms perhaps justly made, so I should like to remove any idea that I am criticizing the board. What I did want to emphasize was that, without water for the railways, the community must suffer, and I think that is enough said on the water question to remove the idea that I was criticizing the board.

The hon. Member for the Coast mentioned events taking place elsewhere. I want to express my personal thanks for the attitude taken by some members of this Council over that question, and should like to mention specially the hon. member Archdeacon Beecher, the hon. Member for the Coast, and the hon.

member Mr. Patel. I am deeply grateful for the public-spirited way in which this matter has been handled, and I know that in certain cases it was with some difficulty, perhaps, that they refrained from talking to me on this occasion of the railway budget. I am very grateful for the attitude they have taken.

The hon. Member for the Coast mentioned the question of passenger travel, and I must apologize to him in regard to the point made about lighting in the coaches. The fact is that, after my broadcast from England, when I had promises of manufacture and delivery of upper class coaches, he did write to me and make certain suggestions about lighting. I can assure him first of all that I looked into it, and in so far as existing coaches were concerned there was difficulty in meeting his request. Regarding the coaches to be manufactured in England, as a result of my visit I was told by the authorities and manufacturers when I agreed to the layout when I was in England, that if I wanted to introduce alterations there was no alternative but to cancel the order; they could only manufacture the straight vehicle very similar to the one we had before. That is the reason why I wrote and said it was too late to alter them. Since then, I have been advised that the order cannot be executed for another two years, and his suggestion has in fact been considered: in fact, I myself have written to the manufacturers suggesting a modification of his proposal which has exactly the same result he wanted, a light which, when sitting in a coach, is overhead instead of in a corner. I must apologize to him for not telling him what I had done. It is not often I do apologize to him. (Laughter.) (MR. COOKE: It is the first time!) But I feel that in this particular case an apology is due.

Now I should like to turn to the remarks made by the hon. member Mr. Patel. I appreciate what has been done by the staff, in which I include Asians, who form a very large proportion of our staff, but I must challenge him when he said nothing was done in regard to that staff. I do not want to go into an awful lot of detail, but I should like to mention one or two things. For instance, I should like to mention that only very recently a very considerable substitution

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was paid to the widows' and orphans' fund for the Asiatic staff on representations made by their union. I should also like to mention that the local leave has been extended to eighteen days, as asked for by the union. I should also like to mention that, as a result of representations made by the union, 600 daily paid artisans have been admitted to the permanent establishment, with all the privileges of overseas leave—and I went further, and introduced holidays with pay and medical services. I suggest that that is not a bad record of achievement of meeting complaints, but a number of complaints I am unable to meet for various reasons and, in fact, the staff have appealed in regard to some of these complaints to the very highest authority, the Secretary of State for the Colonies. So I do not think it can be argued that nothing whatever has been done. We may not have done all the things we were asked to do, but that does not happen to any of us in this world, for we never get all we want. Representations from the staff are listened to and, when it is reasonable and possible to meet them, that in fact has been done.

He raised the question of the daily paid artisans. I do not want to delay Council to-day by going all over the ground, but the fact is that the matter has been raised on several occasions in this Council and in my view a fair compromise has been arrived at by the admission of those 600 men, but to admit all these other men to the permanent establishment would, I suggest, be improper, in view of the fact that these are a fluctuating volume of workers and also that they are paid in accordance with the current market conditions as applicable to other employers of similar men.

So far as third class coaches are concerned, I am relieved to find that we may, possibly—and I should like to emphasize the "possibly". I did not say they definitely would be here in 1947—have them here in 1947, and I am delighted to think I may be able to relieve the very heavy pressure on the third class. In so far as the design is concerned, the same arguments apply as I have just mentioned about the upper class stock. The only circumstances under which I could obtain a supply of third

class vehicles was an assurance on my part that I would agree to vehicles similar to the newer ones we had in service, and in order to secure these vehicles I made that agreement. I did, however, press for one small alteration, or two small alterations. They were reluctantly received by the manufacturers, who pointed out that every alteration needs a staff of draughtsmen in order to recalculate and draw out working plans, and that the great shortage in England at the present time is in regard to draughtsmen. However, I did get them rather reluctantly to agree to two alterations—one to provide additional lavatory accommodation and the other to deal with the drinking water question. So far as the design of our third class rolling stock is concerned, visitors from other railways, and particularly from modern third class vehicles, consider our modern third class vehicle is excellent, and I think it is too, myself. I believe what we want is the simplest possible design so that we can keep the masses within the economic reach of the mass of the people who travel third class. What is wrong at the present moment, and I am the first to admit it, is that we are trying to get too many people into the third class coaches. I cannot help that at the moment, because the only alternative is to deprive a large number of people from taking a journey at all. It has been represented to me that they would sooner travel uncomfortably than not travel at all.

My friend the hon. Member for Mombasa and the hon. member Mr. Patel raised the question of accommodation for passengers in the port of Mombasa. That is a matter which has been under consideration for quite a long time and I am fully alive to the general requirements, but I must point out this, I was rather surprised to hear my hon. friend the Member for Mombasa advocate the setting aside of a separate berth for passenger companies that have always objected to a specific passenger berth because it means that, once you have offloaded your passengers, you probably have to move your ship elsewhere, which leads to delay and extra cost. We do not normally handle passengers in the port of Mombasa like you do at, say, Southampton or one of the big ports in

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England, where you get what are essentially passenger liners. Our liners on this route are partly cargo and partly passenger, and there is grave difficulty in setting aside one berth for passenger traffic only. Just as an illustration, if you get two passenger ships in together, what are you going to do with the second ship? I do agree we ought to do as much as we can to make conditions reasonably comfortable for passengers arriving at Mombasa and I have done what I can with the existing accommodation and sheds, and so on, but I think we will have to go a bit further than that.

Whether we shall go as far as having a passenger station in the port of Mombasa I am not quite sure. I am a little bit nervous about the suggestion of a passenger station on the Island of Mombasa. I remember a long drawn out controversy years ago, in which I took not an unimportant part, about where the station should be in Mombasa. I remember suggesting then that probably the best site for a station was somewhere in the vicinity of the harbour and, having made that statement I had to make a quick getaway on the train in view of the criticism which was forthcoming. Therefore I am not frightfully anxious to stir up a lot of criticism in Mombasa, but I think when things get a little bit easier we might consider what we can do to make conditions a little more comfortable for passengers, and also to create as good an impression as we can of the entrance to Kenya and Uganda. I am fully alive to that point, and I can assure hon. members that it will be seen to and given proper consideration.

I now turn to the remarks made by the hon. Member for Kiambu, and I was not quite sure whether she was talking about monkeys or whether she was talking about children, or whether they are the same! (Laughter.) I have really nothing to add to my reply to the question which the hon. member put some time ago. The fact is that I consider it is not an unreasonable thing to ask that parents should properly equip their children to and from school, and I think that all this talk about pneumonia, etc., is grossly exaggerated, and problems in connexion with the supply of bedding are very considerable indeed. They are

not nearly as easily solved as the hon. member would suggest. If she and the East African Women's League want to set up a voluntary organization to handle this blanket question, I have no objection whatsoever, but I am sure they will be sick of it after their first efforts to deal with the problem. In regard to the sale of cigarettes, whisky, and so on, to children, I am of course completely unaware that this is going on. The fact is, the restaurant cars are run under the licensing laws of Kenya, and if these sales are going on to people under age—the age is, I think, sixteen or eighteen—it is very reprehensible, and I will give an undertaking that it will be stopped.

It seems to me a pity to raise this sort of thing in a budget debate, when I am quite prepared to go into it on receiving information from someone and receiving details of where and when it happened. It is quite impossible for me to know what is going on on every part of the line at any one time. I have grave doubts about it myself. I am not too sure that possibly some adults are not obtaining these things and passing them on to schoolboys, or something of that sort. I can prove anything of the sort I will certainly reiterate the instructions and will have it stopped, and if any stewards—I hope they are not—are responsible they lay themselves open to prosecution under the law.

Dealing with the question of live stock transport in this country, I know nothing whatsoever about this consignment of monkeys, so I cannot deal with that in particular, but I can deal with the general question. The fact is that the live stock traffic requirements in this country have increased since the beginning of the war something like, speaking from memory, about 150 per cent to 160 per cent, we have not got the proper and, in fact, we have not got the proper type of rolling stock to handle that mass of live stock under present conditions. There is, I think, only one alternative. We must say: "Very well, you cannot transport live stock in excess of the specialized vehicles which we possess". That would improve, I suggest, a terrific hardship on the mass of people in this country. It would certainly involve very radical rationing of meat supplies throughout the country, and therefore we have at times to use vehicles which



[Sir R. E. Robins.]  
In normal times—our tariff book says so—are not used for the transport of live stock. We are doing that because we feel that it is in the public interest. Not only that, we have consulted the Veterinary Department and all the experts and they support us in the action we are taking. If the public is dissatisfied with that it is for the public to let me know, but it seems to me we must face the fact that there will be a grave diminution in the supplies of live stock, and it will have an adverse effect on the live stock industry of this country if we do not use vehicles other than live stock vehicles.

In so far as animals conveyed by crates are concerned, it is very difficult to get illiterate staff to realize that cruelty is being caused to animals or birds or whatever it may be conveyed in crates, but the instructions, which are issued from the Superintendent of the Line's Department are such that if there is any defect and there is any possibility of getting a veterinary officer called in, or alternatively if there is a member of the R.S.P.C.A., his notice should be drawn to the improper crating of animals. Furthermore, I know from my own experience that at the larger stations the experienced clerks and people handling traffic have drawn attention to the fact that in their view crating should be adjusted or made bigger, or whatever it may be, and their advice has been taken. But it is not an easy thing to handle. As I say, I know nothing about the consignment of monkeys, but I cannot imagine that the consignment was accepted without some advice from somebody if they were, in the opinion of the staff, improperly crated.

I was very glad to hear the hon. member's commendation of the catering arrangements on the trains, because I am a little bit concerned on that question as to what should be our future policy. There is a division of opinion on this. There are quite a large number of family people who like the present meals and the present cost, because they say it enables the whole family to patronize the dining car instead of having to carry sandwiches and so on. But there is another section—and rather a vocal section—of the public who write regularly to me and ask when I am going to put on those elaborate four-course dinners,

and they are prepared to pay quite a considerable sum. They even go so far as to say that unless I do this I shall kill the tourist traffic travelling by railway, and so on. I am in a very difficult position in regard to this. I regard myself as operating a service designed to meet the wishes of the public, but in this particular case I am doubtful what the public really do want. Therefore, I should welcome any views on this particular issue. I feel that during the war we made a notable contribution by introducing these simple meals at a low cost. My own personal predilection is for a continuance of these meals, but I am not by any means prejudiced, and I am open to any suggestions which may be made.

The hon. Member for Mombasa raised the question of meeting future difficulties in regard to the supply of goods and rolling stock by some sort of combination of the railways in the southern half of the continent of Africa and the setting up of workshops which could, in fact, produce railway rolling stock. I can assure him first of all that that possibility has not been lost sight of, but the fact is that South Africa, with all its resources, still finds it necessary to go to the United Kingdom, for the building of its rolling stock, and furthermore, it is not the coach work that causes difficulty. I think, as a matter of fact, that we might even handle our own coach work here—I think we possibly could—but the big difficulty is in regard to under-frames, bogies, couplings, springs, and so on, and nowhere in the continent of Africa is iron and steel of the right quality available, and even in regard to the work which is done in the steel mills in South Africa they are dependent at the present moment on the importation of raw material. I do not think that this is a feasible proposition, and I am reinforced in that view by the experience of a very much larger railway in South Africa. If ironfields are discovered in the southern part of the continent of Africa, and if, in fact, there is any development in this direction, I should welcome it and should see how far we could utilize such resources. But it does not only depend either on the supply of raw material; it does depend, too, on the very high skill required both in regard to tempering, and also in regard to the manufacture

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of specialized types of railway rolling stock. You must also remember that orders are not usually continuous, they come in spurts and starts, so that in fact I think the manufacturers in the United Kingdom are very much better placed, because they not only supply us, South Africa and the continent of Africa, but they supply South America, India, and so on, and therefore they can spread their orders over a wider field.

I hope I have satisfactorily covered the points that have been raised, and once again I thank hon. members for their courteous hearing of some of my difficulties and some of my hopes and aspirations. (Applause.)

His EXCELLENCY: Before I put the question I should like to intervene myself just for one purpose, and that is to underline the extraordinary achievement of the Railway in connexion with demobilization. It is probably only through the Governors Conference and inter-territorial organization that it is possible to appreciate the quite astonishing achievement of the General Manager and his staff, and as I was personally very closely concerned with that and in close contact with the General Officer Commanding-in-Chief, I feel I should say from the chair of this Council what a very remarkable achievement it was. (Applause.)

The question was put and carried.

## BILLS

### FIRST READING

On the motion of Mr. Stacey, the following Bills were read a first time: The Estate Duty (Consolidation) (Amendment) Bill, the Beer (Amendment No. 2) Bill, the Income Tax (Amendment) Bill, the Personal Tax (Amendment) Bill, the Traders Licensing (Amendment) Bill, the Dangerous Petroleum Tax (Amendment) Bill, the Kenya Defence Force (Temporary Suspension) Bill, the Civil Procedure (Amendment) Bill, the War Refugees (Control and Expulsion) (Amendment) Bill, and notice was given to move the subsequent readings at a later stage of the session.

### ADJOURNMENT

Council adjourned till 10 a.m. on Thursday, 23rd January, 1947.

## Thursday, 23rd January, 1947

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Thursday, 23rd January, 1947, His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

### MINUTES

The minutes of the meeting of 21st January, 1947, were confirmed.

### PAPERS LAID

The following papers were laid on the table:—

By Mr. TROUGHTON:

Standing Finance Committee report on Draft Estimates of Revenue and Expenditure of the Colony and Protectorate of Kenya for 1947.

By Sir GILBERT RENNIE:

Standing Finance Committee report on the Developmental Committee report and Development and Reconstruction Authority Draft Estimates of Revenue and Expenditure for 1947.

By Mr. ROBINS:

Land grants return for July-September, 1946.

By Mr. THORNLEY:

Report of Committee on Habitual Offenders.

By MAJOR CAVENDISH-BENTICK:

Report and recommendations on the development of agricultural marketing in Kenya (by R. H. Bassett, Commissioner for Development of Agricultural Marketing, Ceylon Government).

### ORAL ANSWERS TO QUESTIONS

#### No. 84—AFRICAN FOOD PARCELS

ARCHDEACON BECHER:

Will Government please afford to Africans facilities for the transmission of small quantities of food to relatives in areas affected by famine or food shortage, on a basis comparable with the facility afforded to non-Africans for the postal transmission of food parcels to Europe?

MAJOR CAVENDISH-BENTICK: As the hon. member will be aware the movement of most African foodstuffs is subject to control by District Commissioners, the maize Controller or the Produce Controller. The object of this control is to



[ARCHDEACON BEECHER] secure the fairest possible distribution of these foodstuffs while they remain in short supply. Any movement of controlled produce except in accordance with a specified policy and under permit must tend to defeat this object, and would also entail a great danger of abuse and of consequent Black Market operations which would further prejudice fair distribution. The policy naturally varies from province to province and also in respect of different types of produce according to the supply and demand. The amount of controlled produce which can be transmitted at any time by an individual must therefore be left to the discretion of the authorities responsible for the distribution of foodstuffs.

There is no really comparable basis between the transmission of foodstuffs between Africans and the sending of parcels of foodstuffs by non-Africans out of Kenya. Most of the foodstuffs sent by parcel post are not controlled, and in the case of rationed commodities coupons have to be surrendered. There is no objection to the transmission by Africans of foodstuffs not subject to control.

ARCHDEACON BEECHER: Arising out of that reply, do I gather from it that Controllers will, in certain circumstances, permit the transmission of rationed foodstuffs provided that coupons have been surrendered for them?

MAJOR CAVENDISH-BENTINCK: I think I should like notice of that question, because coupons in many cases are not available to Africans in the case of the foodstuffs we are talking about.

ARCHDEACON BEECHER: On a point of order, that question was implicit in my original question, and I regret that Government is not able to answer it. (Mr. Cooke: Hear, hear.)

#### No. 92—HANSARD

ARCHDEACON BEECHER:

In view of the long time taken in the publication of Hansard in a bound volume, and in view of the difficulties caused to members of this Legislative Council by the absence of a daily report of proceedings, will Government please take steps to secure the publication of a daily Hansard, possibly in cyclostyled form?

MR. THORNLEY: I regret that after careful consideration the Government is unable to accede to this request at the present time. Steps are, however, being taken to ensure that copies of speeches made by members are placed in their hands as soon as possible after debates.

#### No. 95—NAIROBI NATIONAL PARK AND SOMALIS

ARCHDEACON BEECHER:

(a) Will Government please state whether or not the negotiations with the Somalis in connexion with their rights on the Nairobi Commongage, to which reference was made in the debate on the motion for the declaration of the Nairobi National Park, have been completed satisfactorily?

(b) If the answer is in the negative, and if, in fact, the proposed terms of continued occupation have proved unacceptable to the Somalis concerned, will Government please state what steps are proposed in order to meet the reasonable requirements of these people?

(c) If necessary, will Government please appoint a committee of inquiry with terms of reference which include the task of making recommendations for an amicable settlement?

(d) Will Government please give an undertaking that in future, no motion for the establishment of a National Park will be brought before this Legislative Council until the settlement of the legitimate demands of the African people within the area in question have been satisfactorily met?

MAJOR CAVENDISH-BENTINCK: (a) The question of negotiations with the Somali families does not arise in view of the fact that they are alien immigrants whose disposition had already been fully investigated by the Carter Land Commission, the Game Policy Committee, and a District Officer specifically seconded to hold an inquiry into their case. The terms on which the Government and the Trustees of the National Park agree that certain Somalis should continue to reside in the Park have been approved and published as Government Notice No. 1153 of the 2nd December, 1946.

(b) The conditions of the agreement have not been accepted by the Somalis but are considered reasonable and are in

[Major Cavendish-Bentinck]

fact more generous than those recommended in the Carter Land Commission Report. It is therefore proposed not to take any further steps in the matter of hearing or discussing further claims.

(c) The appointment of a committee of inquiry is not considered necessary in view of the previous detailed examination of the alleged rights of the Somalis and which can be found in paragraphs 625 to 634 of the Carter Land Commission Report, in the first Interim Report of the Game Policy Committee and in the District Officer's inquiry referred to above.

(d) Government would not support any motion for the establishment of a National Park until they are satisfied that the legitimate rights of indigenous peoples within such National Park area have been met.

MR. COOKE: Arising from that answer, while agreeing that the Somalis have not been unreasonably treated, may I ask when it is Government's intention to implement the suggestion which I have made on one or two occasions in this Council that there should be an inquiry, a committee, to find some land for those Somalis who have rendered very loyal service to Government in the past? Is it not possible to have a committee sit to find some land on which these Somalis could be settled?

MAJOR CAVENDISH-BENTINCK: The answer is that there is no need to have an inquiry. The matter is under review by the appropriate authorities in respect of such Somalis as have any real rights.

MR. COOKE: Will Government expedite the matter, because it is over 10 years since I first raised the question, and I have raised it continuously?

ARCHDEACON BEECHER: May I draw the hon. member's attention to the fact that the reply he gave to (d) of my question does not cover the wording of the original question, which asked Government to give an undertaking to bring "no motion before this Council until the settlement of the legitimate demands of the African people within the area in question have been satisfactorily met" and the hon. member did not use any phrase which really covered the question as it is there put.

MAJOR CAVENDISH-BENTINCK: The answer to that is that it is a matter of opinion. (Laughter.)

ARCHDEACON BEECHER: Or of fact!

HIS EXCELLENCY: If I may interject, I hope we are not losing sight of the fact that the people concerned are immigrant foreigners in this country. It so happens that they come from Somaliland, they might have come from Scotland or India, but these are immigrant foreigners.

MR. COOKE: Born in this country, or a good many of them.

HIS EXCELLENCY: Some of them might have been.

#### SCHEDULE OF ADDITIONAL PROVISION

No. 2 of 1946

MR. TROUGHTON: Your Excellency, I beg to move: That the Standing Finance Committee report on Schedule of Additional Provision No. 2 of 1946 be adopted.

MR. STACEY seconded.

The question was put and carried.

#### RAILWAY REALIGNMENT COMMITTEE REPORT

MR. TROUGHTON: Your Excellency, I beg to move: That this Council endorse the report of the Railway Realignment Committee.

The inquiry carried out by this Committee was of a very complex and difficult character. On the one hand, we had to deal with a very complicated set of figures relating to a subject concerning which only one of us had had any previous experience, and on the other we were faced with moral issues which were extremely difficult to weigh up. The conclusions that we reached, which are incorporated in the report, were only reached after the most exhaustive discussion, and in the end we were completely unanimous.

The proposals fell into two parts. First, the regrading and realignment of certain sections of the line between Nairobi and Gilgil. About that there was no argument whatever. But the area in question have been satisfactorily met" and the hon. member did not use any phrase which really covered the question as it is there put.

[Mr. Troughton]

The Railway Administration contended that this realignment would save an annual sum of the order of £20,000, but their figures were challenged by representatives of the farmers in the area affected, and by their legal adviser. I do not want to go through the criticisms in any detail this morning, but there was, in the Committee's opinion, substance in some of the criticisms raised against the Railway figures. For the reason that the Railway endeavoured to present their case in an over-simplified form, and as a result some of their figures were open to challenge. We argued about those figures at considerable length, and in the end the Committee decided to work out figures of their own, quite independently, and the result came to very much the same as the figures put before this Council by the Railway Administration. In other words, the construction of the short cut would lead to a saving of £20,000 per annum over and above the saving that would be secured by regrading the existing line without any major realignment. Having reached this conclusion, the question boiled down as to whether this saving on economic grounds should be sacrificed on economic grounds or in the public interest. Mr. Powys Cobb, for the affected farmers, made the point that the construction of the short cut would, in his opinion, result in a considerable diminution of agricultural production in the area affected, with a serious reduction in the national income.

It is quite clear that the area on the top of the Mau Escarpment which would be affected by this realignment is one which is capable of considerably closer settlement. It is at present served by the Railway from Elmenteita, and the road to Elmenteita drops a matter of 3,300 feet within nine miles. If this short cut is constructed, there would be a further 12 miles to go. There is already a road of good district council standard between Elmenteita and Nakuru, and the Committee recommend that this road should be linked up with the new alignment at the most westerly station—the station nearest to Nakuru—and we feel that this is done it would do a great deal to mitigate any loss which might be sustained by the farmers on the floor of the valley and on the slopes of the Mau Escarpment. It would still mean, however, that from the top of the Mau

Escarpment—the area leased to Mr. Powys Cobb—there would be a transport haul of some 28 miles to Elmenteita, so the Committee investigated the possibilities of a road from there to Njoro to the west, and at our request a road engineer of the Public Works Department carried out two surveys of this line. As a result, we came to the conclusion that it would be quite a practicable proposition to have a good road there. In fact, there already is a road there, though it needs a great deal of improvement. This road would be about 24 miles long, but it would have this advantage, that in 20 miles it would drop about 2,300 feet, as against the drop of 3,300 feet in nine miles on the other road, and the Committee felt quite definitely that if this road were constructed, there should not be any drop in agricultural production in the Mau-Narok area, or at any rate no appreciable drop.

To sum up this side of the business, the Committee felt that there would be no serious economic objections to the realignment if a road system as set out in paragraphs 48 to 50 of the report were constructed. We feel then that the justification on economic grounds is complete. The cost of such a system would be round about £38,000 capital expenditure, which compares with £40,000, the cost of the roads originally proposed by the Railway.

The process by which the Railway expenditure is approved is a complicated one, but if the motion regarding realignment is passed, that process will begin in connexion with the construction of these roads, and I have your authority to say, sir, that this Council may assume that if the realignment is put into effect, the road system recommended by this Committee will in fact be constructed. (Applause.) The Committee did not go into any meticulous detail regarding the standard or the precise alignment of these roads, because they felt that those were questions which should properly be left to the district council of the area, and the Public Works Department and the Railway Administration as a matter for negotiation.

Our second term of reference required that the proposals should be examined from the standpoint of the public interest. The first contention here was that to realign the Railway would be a breach of

[Mr. Troughton]

faith, in that the farmers, it was argued, had been encouraged to settle in this area, and in some cases had been charged a double stand premium and additional rent. Well, at our request, the Commissioner of Lands made an exhaustive search of his records and as a result of his inquiries, which we verified for ourselves by reference to the documents of the day, we are satisfied that proximity to the Railway was not a factor of importance in the determination of either the rent or the stand premium of any of the farms concerned. In fact, a great many of the farms concerned were given away without any stand premium at all.

The second point, namely, that there would be a lack of confidence on the part of the general public if the Railway were realigned, seemed to us to be the strongest possible argument against the realignment. Confidence is an imponderable thing, and it was represented to the Committee that the effect of lack of confidence, or of a shaking of public confidence, would be deplorable. The Committee gave very long and anxious thought to this matter and we reached the conclusion set out in paragraph 46 of the report. I feel that that paragraph is so important that, with the leave of the Council, I will read it.

It says: "We discussed this matter with the General Manager, who made a categorical statement to the effect that if this proposed realignment is implemented, apart from a possible realignment of the Voi-Kabe line (which was built originally for strategic rather than economic purposes), the Railway Administration would not feel it necessary to approach the Kenya Legislative Council with proposals for any further major realignment except in the event of drastic changes in existing economic conditions. We realize that this undertaking cannot be expected entirely to satisfy the general public or entirely to dispel that feeling of insecurity which constitutes the one major objection to the present proposal. We appreciate, however, that the undertaking does go a long way to meet that objection. The only type of change in economic conditions which would be likely, in our opinion, to justify a major realignment of the railway would be one in which an area hitherto productive became unpro-

ductive or at least unproductive to such an extent as not to warrant the provision of a public transport service. In these circumstances our considered view as a committee is that once this major realignment has been completed, we can regard the line of the railway, except in the Voi-Kabe area, as settled for all practical purposes."

I feel that statement should go a long way to dispel this possible feeling of insecurity, and I would remind hon. members that no realignment can be carried out without the consent of this Council, and I think that the discussions that we have had on this particular realignment show that obtaining the consent of this Council is very far from being a matter of form. (Laughter.)

I do not think I need elaborate this report any more. Members have no doubt read it for themselves, and the conclusion of the Committee, which I commend to this Council for endorsement, was that, provided these roads are constructed, provided adequate postal and telephone and telegraph facilities are available for the people concerned, provided that their interests are at least taken into consideration in fixing any revision of rates, then, subject to those provisions, the Committee is satisfied that the realignment is justified both on economic grounds and on the broad ground of the public interest.

MR. STACEY seconded.

MAJOR JOYCE: Your Excellency, I do not propose to go into great detail on this report, as I assume hon. members will have read the report carefully. The last time I suggested that they had not read a report I suggested was greeted with cries of "No" and "Shame" and so on, so I assume that details are unnecessary in this debate!

I should like to stress that I, personally, went into the business of this particular Committee with a mind that perhaps was not even an open mind, because I was convinced at that time that the one major point, namely, the engendering of a feeling of insecurity among settlers and the public generally, was sufficiently strong to outweigh any possible advantages. I say that now just as an indication that we went into the thing as thoroughly as was possible, and I am now convinced that that particular argument is

[Major Joyce]

not one of any real substance, for the reasons stated in the first instance by the hon. General Manager in the debate on his original motion and repeated now by the hon. Financial Secretary. I do agree, though, that that is and was in my mind quite the most important issue that we had to decide.

I should like, for the sake of hon. members of this Council, to make it quite clear exactly what our terms of reference were, in order that they may understand that the question of compensation did not come into our purview, and in order to make that clear I think it would be well if I just read out what the terms of reference were. They were: "To consider and report whether it is desirable on economic grounds and in the public interest that the proposed regrading and relaying in 80 lb. material of the main Kenya and Uganda Railways and Harbours line between Nairobi and Uplands and between Gilgil and Nakuru, should be carried out on the following alignment:—and then it states the alignment; and, as the hon. mover said, the whole discussion hinged on the short debate between Gilgil and Nakuru. It will be noted that in those terms of reference there is no reference to compensation, and in that connexion I should like to refer to the original debate, in which the hon. member for Nairobi South asked that, if this particular committee should recommend that the short cut should go through, then a further committee should be appointed by you, sir, to go into the question as to the desirability or otherwise of compensation. Further, I should like to refer to your reply to that which was to this effect: "In the light of the report of the first committee which will be laid before, and if necessary debated in this Council, we shall then presumably decide whether to realign or not to realign." And then later on—"If it is the desire of this Council to open the question of the adjustment of resultant hardships, if they should occur, whether retrospectively to the date of the occupation of the Colony or any other intermediate date or from to-day onwards, I should certainly be willing for a motion to that effect to be put down and debated." You added to that, quite bluntly, that it was your view and the view of the Government that compensation should not be granted. However, the point I wish to stress is that

it was agreed by you, sir, that a motion of that sort would be accepted, and I expect a motion in that sense would be put down later on.

The whole of this question of compensation is a difficult one to determine. At what point does compensation become something that you do not call compensation, and so on. This committee has made various recommendations for alternative services to replace the very great disadvantages that some of those farms will suffer in the way of increased transport costs. We have recommended that postal facilities, telephone and telegraph facilities shall be maintained at Elmenteita; we have recommended that various roads shall be made at the expense of the Railway, and, if hon. members will refer to the report, there is a footnote on page 19 to this effect: "Although it may be outside our terms of reference, we suggest that, in common with other areas, the desirability of instituting a Public Transport Service in this area be examined." On a matter of principle, I agree that the whole question of cash compensation is an extremely difficult one. Let us refer for a moment to the question of roads. There are some farmers in this country who would immediately claim compensation if a public road were put through their farm; there are others who might equally claim it if a public road was removed from the vicinity of their farms, and so on, and I think this question of cash compensation is an extremely difficult one, but the question of alternative services comes into rather a different category. To go back for a moment to the question of cash compensation, we must remember that one Secretary of State suggested that these farmers might be compensated in cash by means of a reduction of their rental. It would not amount to very many pounds, but still he did there concede a principle which I feel sure my hon. friend the Financial Secretary may not agree with.

I think we have to consider this question of alternative services or compensation or whatever you like to call it, from the point of view not so much of legality as equity. In regard to this footnote on the suggested road transport service, I would remind members that though the actual tonnage of goods from these two stations, Eburru and

[Major Joyce]

Elmenteita, inwards and outwards, appears to be a small percentage of the whole; they do include a number of very valuable cattle, a large amount of meat which is consumed in this town, and so on. I am given to understand that in Southern Rhodesia—I stand open to correction because I have not got the facts very precisely—that the railways in Southern Rhodesia do run a transport service including 10-ton vehicles capable of carrying live stock and large quantities of goods. I worked this out for my own satisfaction but, not being an economist, I mention the figures with all reserve. I believe that a road transport service from, we will say, the old Elmenteita station to Station B mentioned in the report, would cost possibly, including two or three large 10-ton vehicles as I suggested, not more than £10,000 or £12,000, capital cost, and might be run at a recurrent expenditure of £2,000 or £3,000. I do not think these are very large figures by comparison with the whole cost of this realignment and, compared with the cash advantage estimated at £60,000, that would accrue to the railway from the whole scheme, £20,000 on the short cut and roughly £40,000 on the balance. Whereas I entirely agree with the other points made by the hon. Financial Secretary in moving this motion, I do think that this secondary and very important point should be given due consideration by a committee such as you, sir, suggested might be appointed as soon as possible.

I would just like to make one further remark on two or three of the points on which we considered that this realignment, this short cut, was justified on economic grounds. Cash saving, yes, roughly the amount originally suggested by the railway, but which we considered comes to about the same by a different method of arriving at the figures. We agreed that there will undoubtedly be a cash loss to the farmers concerned. That is one of the things weighing on the other side, not a very serious one, but still one to be considered. We do not agree that there will be any serious risk of hindering the development of the Mau-Narok area as a closer settlement area if the road system suggested is put into effect, and on the other side it was agreed there will be no increased development on the farms alongside the short cut. On

balance, however, there was no question in our minds that on economic grounds the case was met. In regard to the question of public interests, I will not go on with this, because it has been referred to, but I am convinced myself that it is in the public interests. I hope all members will support this motion, and at a later stage you, sir, will allow a motion on the lines previously indicated to be put up.

SIR A. VINCENT: Your Excellency, this committee has met, it has given its report, and I think it is a very good report, in that it is brief and crystallizes the details, and gives us a very clear picture of a considered opinion. I must congratulate Government, sir, because they did adopt the course which my colleagues and I suggested. I have this committee, because had the realignment been agreed to without this committee I believe, although the hon. Financial Secretary says that "confidence is an imponderable thing," it is very real, and lack of it sometimes, in this country, creates a very grave danger. I suggest that the confidence of the people of this country, especially at the present time, in the fair methods and attitude of Government is the one essential we must all keep before us. (Hear, hear.) I am going to ask you, sir, to alter your previous decision, if you can, that another debate on another motion will be required before this Council could assent to the appointment of a committee to consider whether any compensation is due to be paid. I say that because I am sure every member here does not want to waste the time of the Council. You have in Hansard, column 99, of the 17th July last, my statement (which I think is perfectly correct) that one Government committee in 1919 was of the opinion that compensation was justifiable to the extent, I believe, of about £92,000—

MR. MORTIMER: On a point of correction, 1939, I think, should be the date.

SIR A. VINCENT: I thought I said 1939. You cannot disregard that recommendation. Conditions may have changed. This committee may have dug up other information which the Harragin Committee had not before them, but I consider it would be wrong not to set aside it. I would not agree to agree to it readily, because we felt when we asked for these two committees in the

[Sir Alfred Vincent]

first place that the two were essential, that one would naturally follow the other.

We support the findings of this committee, but we do not support them without a direct request, and a reasonable request, that a committee be set up immediately to consider the case of compensation, because the two, in our opinion, are completely intertwined. Another thing is that if such a committee is not set up then the confidence which we hope exists in this country in the right and fair and just methods of Government will be sadly diminished.

I beg to support.

Mr. TRENCH: Your Excellency, I would just like to say on behalf of the farmers in the area concerned, that although I have not had the opportunity of directly consulting them as a result of this inquiry, nevertheless I feel that, in the first instance, they are very grateful to you, sir, for appointing this committee; secondly, that they are very grateful to the members of this committee for the infinite trouble they have taken to go into the whole question. The farmers have not been able to substantiate their claim. Nevertheless, their time in opposing the proposition of the realignment has not been wasted if this Council approves of the increased roads as is suggested. One other point about compensation. I do not propose to start a debate on that, because you, sir, are watching me very closely as a result of my recent best performance, and would rule me out of order! Nevertheless, I would like to support what the previous speaker has said, that in order to ensure that public confidence in this Government is completely restored—if it was shaken by this considerable movement of the railway—you, sir, will agree to a committee being set up to go into this question of compensation, because there can be no doubt at all that these farmers have suffered a loss. That committee may report that it is only a penny, or a million pounds, loss, but let us have it in order to ensure public confidence.

I beg to support.

His EXCELLENCY: I have had a brief consultation with my advisers, and we find that this matter is a little more thorny than it appeared. I think we shall have to adjourn for a quarter of an hour for further consultation.

Council adjourned at 10.55 a.m.

Council resumed at 11.15 a.m.

His EXCELLENCY: If there is no other hon. member who wishes to speak on the motion for the adoption of the report of the Committee, I will call on the mover to reply, in the course of which he will deal with the matter raised prior to the adjournment.

Mr. TROUGHTON: Your Excellency, during the course of the debate, the hon. Member for Ukamba, the hon. Member for Nairobi South and the hon. Member for Rift Valley raised the question of compensation, and reference was made to the report of the Harragin Committee in 1939, but I do not think that any member followed up that reference by a reference to the despatch of the Secretary of State on that report, in which he turned the recommendations down. That despatch was published and was laid on the table of this Council, but in order to refresh the memories of hon. members, I will read one sentence from it. The Secretary of State said: "It is in my view essential to uphold the principle that compensation should not be awarded where the broad interests of the Railway, and therefore of the country as a whole, require realignment or other modification of the existing railway system." If the Government were to agree to-day to the appointment of a committee on the lines proposed by hon. members, it might, we feel, give a misleading impression to the public, namely that the Government did not feel itself bound by the dictum of the Secretary of State; whereas we do feel bound by it, and the Government therefore is debarred from paying compensation of that kind—that is of the kind proposed by the Harragin Committee. I said "If the Government were to agree to the appointment of such a committee to-day." It is your intention, sir, in view of the difficulties involved in this matter, that the question of whether a committee should be set up to consider whether there should be any further alleviation of hardship over and above that which is proposed in the report of the Realignmen Committee, and the question of an investigation of that kind should first of all be discussed in Executive Council and whatever decision is taken in Executive Council you, sir, will communicate to this Council in due

[Mr. Troughton]

course. That in no way alters the understanding that you gave when speaking in this Council last July when you said (your statement has already been read, but I will read it again): "If, however, the decision is that we should realign, then when that decision has been taken, if it is the desire of this Council to open the question of the adjustment of resultant hardships, if they should occur, whether retrospectively to the date of the occupation of the Colony or any other intermediate date or from to-day onwards, I should certainly be willing for a motion to that effect to be put down and debated." That stands, and whether it is decided in Executive Council to appoint a committee to carry out some preliminary examination or not—at any time, the Government will be prepared for a motion of that sort to be put down and debated.

The question was put and carried.

#### KENYA AND UGANDA RAILWAYS AND HARBOURS REALIGNMENT —NAIROBI AND NAKURU

His EXCELLENCY: The debate on the original motion standing in the name of the hon. General Manager, which was adjourned, is now resumed. I do not know whether any hon. member who has not already spoken in the debate wishes to speak now, or whether it is decided by the motion just carried. If so, I will call on the mover to close the debate, unless there is any hon. member who wishes to speak.

The debate was resumed.

Mrs. WATKINS: I only want to make one point.

Sir GILBERT RENNIE: On a point of order, I think the hon. member has already spoken.

Mrs. WATKINS: I am so sorry, I do not think I have.

Sir GILBERT RENNIE: I looked up Hansard this morning. (Laughter.)

His EXCELLENCY: I am afraid there is no escaping the fact—the hon. member is on record as having spoken on the debate.

Sir REGINALD ROBINS: Your Excellency, in view of the acceptance by this Council of the report of the Realignmen Committee, there is very little for me to say in reply to the main debate which stood adjourned.

I would first of all like to thank the members of the Realignmen Committee for the job of work they did. I do not think when they were first appointed that they fully appreciated the task which they were undertaking. (ARCHDEACON BEECHER: Hear, hear!) (laughter), but I must say that, having accepted the obligation to make this inquiry, they really did it with absolute thoroughness. In fact, at times I thought they were far too thorough, for not one single statement I made went unchallenged (laughter), and during the course of their inquiry I was under cross-examination for many many hours, and so were the senior members of my staff. In addition to that, they gave us a tremendous amount of work to do in answering their questions and producing figures to further their inquiry; work which I think we thought at the time we could have very well done without. However, speaking as General Manager, I believe that their recommendations are a very fair and satisfactory conclusion in that particular matter, and I myself as General Manager am absolutely satisfied with their recommendations, and I shall have no hesitation whatever in recommending their full acceptance by the High Commissioner and the Railway Advisory Council. (Applause.)

The question of compensation has loomed rather large in this debate, and also in the debate which has just ended—the debate on the acceptance of the Report of the Railway Realignmen Committee—but there is one point which I should like to make clear, because the question of compensation has not perhaps been quite precisely defined. I know that what members were speaking about was a particular type of compensation, but I should like to make this point clear, that in so far as disturbance is concerned, the Railway Administration will pay compensation in accordance with the laws of Kenya and will interpret liberally that particular law.

I think that it is all that I have to say on this debate, and I beg to move that the resolution standing in my name be adopted.

The question was put and carried.

ADJOURNMENT  
Council adjourned till 10 a.m. on  
Tuesday, 28th January, 1947.

Tuesday, 28th January, 1947

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 28th January, 1947, His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

## KENYA AND UGANDA RAILWAYS AND HARBOURS

### NAIROBI-GILGIL REALIGNMENT

HIS EXCELLENCY: Before we proceed with the business on the order paper, hon. members will recollect that I said I wished to consult Executive Council on the suggestion for a further committee in connexion with the railway realignment proposal. I have now given further consideration in Executive Council to the question of appointing a committee to consider any hardship which might result from the proposed realignment of the railway between Nairobi and Gilgil, and as a result I have decided to appoint such a committee. (Hear, hear.) The formal terms of reference have not yet been drafted, but in view of the Secretary of State's decision on the subject the committee will be precluded from considering compensation of the kind proposed by the Harragin Committee. They will not be precluded from recommending an alleviation of hardship in such other ways as may appear to them to be suitable. I hope it will be possible for the committee to get down to their task at an early date.

### MINUTES

The minutes of the meeting of 23rd January, 1947, were confirmed.

## ORAL ANSWERS TO QUESTIONS No. 96—AFRICAN EDUCATIONAL ALLOWANCES

### ARCHDEACON BELCHER:

(a) Is Government aware of the fact that the present rules for the award of responsibility allowances to African headmasters, which require a school to have a daily average of 150 pupils before the award can be made, are the source of considerable discontent and a certain amount of abuse?

(b) Will Government please modify the rule in such a way as to enable

awards of responsibility allowance to be made on merit and on consideration of the particular circumstances of the school in question, rather than on numbers?

MR. THORNLEY: Government is aware that a number of applications have been received from headmasters of primary schools with less than 150 pupils, but is not aware that there has been any abuse in connexion with responsibility allowances.

The question of modifying the rule is to be considered by the African Civil Service Committee to whom, I understand, certain representations have already been made, and it is proposed to await their recommendations. In the meantime, I will see that the hon. member's suggestion is brought to the notice of the committee.

## STRIKE AT MOMBASA

### STATEMENT BY ATTORNEY GENERAL

HIS EXCELLENCY: Before we take the motions on the order paper, by leave of Council, the hon. Attorney General would wish to make a statement on the recent strike in Mombasa.

MR. FOSTER SUTTON: Sir, with the leave of Council I propose to read the statement: As honourable members are aware, the strike at Mombasa was called off late on the afternoon of the 24th January, there was a general return to work on Saturday, the 25th, and the situation there can now be described as normal. This Council and, I have no doubt, the rest of the country, would wish to be put in possession of the facts in so far as they are known to the Government.

At the beginning of January of this year the labour position in Mombasa appeared to be calmer and more satisfactory than had been the case for a considerable time, but towards the end of the first week of the month rumours of an impending strike began to circulate on the island. It is believed that the suggestion of a strike did not originate in Mombasa. On January the 7th information was received that a mass meeting of Africans working on the Island had been held. The purpose of the meeting appeared to be to discuss the calling of a general strike, to take place

[Mr. Foster Sutton] on the following day. The chief matters under discussion at that meeting were low wages, coupled with the high cost of living and lack of consumer goods. The strike was, however, averted as a result of a speech made by one of the Africans present, who advised the meeting that the Labour Commissioner was very shortly coming to Mombasa, when discussions could be entered into with him. The meeting finally agreed that no strike should be called until an opportunity had occurred to present their demands to the Labour Commissioner.

The Labour Commissioner arrived in Mombasa on January the 9th. One of the objects of his visit was in connexion with the registering of the Kenya Land-owning and Shipping African Staff Association as a trade union under the Trade Unions and Trade Disputes Ordinance, 1943. Soon after his arrival rumours of an impending strike became more general and he, therefore, decided to hold meetings with representatives of all the labour groups on the island. In all he held six meetings, at which a number of demands were made by individuals, most of which related to increases in wages, but it did not appear to him that any one group of the workers' representatives was in a position to put forward the exact nature of the complaints which were responsible for the then feelings of unrest; for example, at a meeting which he held with the local committee of the Railway African Staff Union two members of the committee handed him an unsigned document purporting to contain the demands of the Railway African staff. That document had not been seen by the other members of the committee and was immediately repudiated by them.

The Labour Commissioner was accompanied at the three main meetings held by him, by Mr. Osgathorp, the staff and welfare assistant of the Kenya and Uganda Railways and Harbours Administration, who has many years experience of trade union practice in the United Kingdom. As honourable members are no doubt aware, the Railway and Port Administration is the largest single employer of African workers on Mombasa Island, and because the Labour Commissioner felt that the workers were not in a position to put

forward the exact nature of their complaints he informed their representatives that Mr. Osgathorp would remain on the island in order to assist them in the presentation of the case. The committee of the Kenya Land-owning and Shipping Staff Association had previously indicated their desire to form themselves into a legal trade union and they were told that Mr. Osgathorp would assist them to do so.

At each of the meetings held by him with the workers' representatives, the Labour Commissioner explained in detail the numerous steps that had already been taken to ameliorate working conditions on the island and the further steps which the authorities concerned had agreed should be taken. The Labour Commissioner fully appreciated that one of the difficulties of the position was the lack, so far as the other workers were concerned, of proper negotiating bodies. That being so, he issued an invitation to them to meet him, and as a result of such invitation he held a meeting with approximately 150 of their representatives. At that meeting he again explained in detail the steps which had already been taken and the further steps which it had been agreed should be taken.

It cannot be too strongly emphasized that at all the meetings which I have already mentioned the workers' representatives informed the Labour Commissioner that, in view of the facts put before them by him, it was their intention to advise against a strike and there can be no doubt that they made an effort to do so, but were prevented from carrying out their purpose by an element which was clearly determined to bring about an immediate general strike.

Government is aware of the fact that many accusations have been made that little or no progress has been made in ameliorating working conditions on Mombasa Island since the appointment, in 1945, of the Phillips Committee. That being so, I feel sure that your Council would wish to know what steps have in fact been taken, they are as follows:—

(i) New and comprehensive minimum wage legislation was enacted at the end of last year and, on the advice of the Coast Labour Committee, an order was made fixing a minimum wage of Sh. 40 per month with effect from the 1st

[Mr. Foster Sutton]  
February. That order had the effect of bringing all employers of labour into line with a number of the larger employers, including the Government and the Railways and Harbours Administration, who had for some time past been operating on that basis. That step was regarded as an interim measure, only pending the economic and social survey, which the Government intends to put in hand in the immediate future, without which we are working in the dark and it is impossible properly to assess the wages which should be paid so as to ensure a reasonable standard of living to the worker. On the question of wages it should be emphasized that a large number of the workers draw much more pay than the minimum rate fixed by the order.

(ii) The Coast Employers' Advisory Committee has been replaced by a Coast Labour Committee, which now contains representatives of employees as well as employers and upon which there is to be direct African representation. (The original committee was merely a committee of employers).

(iii) In order to relieve the position, anyway to some extent, regarding lack of essential consumer goods, a large firm in Mombasa was given a special allocation of piece and other imported goods, which enabled them to establish an African retail store. This action has made it possible for the workers in Mombasa to purchase such goods, although admittedly in limited quantities, at controlled prices. We know that the black market is flourishing on Mombasa Island, and this was one of the steps taken to combat it. Much credit is due to this firm for its generous co-operation. The Railway Administration has also made special arrangements for the sale of goods, in shops in their locations, at controlled prices. Two fuel depots were also started at which firewood could be bought by the African worker at the controlled price. In this connexion I am glad to be able to say that the establishment of the fuel depots has gone a long way towards abolishing the black market in fuel, which hitherto existed. Water has been an expensive item in the African worker's budget owing, in the main, to the limited number of water kiosks and the fact that many African

workers found it necessary to buy their water at an increased cost from water carriers. The position has now been improved by an addition to the number of water kiosks and by the extension of the hours of supply, thus reducing the necessity of obtaining their water from the water carriers. It is the Government's intention to proceed with this policy and ultimately to provide water direct to persons housed under its African housing schemes.

(iv) As regards food. Through the efforts of the Municipal African Affairs Officer and the African Advisory Council, the price of meat which had risen from 36 cents a pound to 73 cents a pound in August, 1946, has been twice reduced and is now 50 cents a pound with bone and 60 cents a pound without bone. This has, however, I regret to say, been offset to some extent by the increased cost of maize meal. To sum up the food position, sir, there has been a net increase of only 26 cents a month, since 1945, in the cost of food contained in the standard African ration scale.

In 1946 milk was supplied, through the Municipal Native Trust Fund, at the rate of half a pint a day in the school term, to 536 children. Steps have now been taken to provide milk daily for 240 infants and to nearly 1,000 school children in term time, and such milk is supplied free of cost. Furthermore, in an attempt to reduce the high price of milk on the Island, a municipal dairy, which will be completed in March of this year, is being built, and when it opens it will make available a superior grade of milk at a reduced price.

(v) As honorable members are no doubt aware, one of the major causes of unrest on Mombasa Island has been the large number of casual labourers who had little or no security of employment. For some time past the Labour Commissioner, with the support of Government and the Labour Advisory Board, has been negotiating with the stevedoring companies in an effort to establish permanent labour pools in which the worker would have a guaranteed minimum period of employment. I am happy to be able to state that the Labour Commissioner has had the utmost co-operation from the stevedoring companies, who have displayed a gratifyingly sympathetic attitude towards the

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problem. As a result of the negotiations, the companies had, before the strike, agreed to form a permanent labour pool of 600 labourers, and in addition the General Manager of the Railways and Harbours Administration, in consultation with the directors of the Kenya Landing and Shipping Company, who already have a permanent labour pool of 900 workers, had, again before the strike, agreed to an increase in that pool of 50 per cent. These were among the matters explained to the workers' representatives by the Labour Commissioner.

A further step in improving the conditions of the port workers is to be taken by the establishment of a large canteen for them at which good meals at a low cost will be supplied. The canteen premises will also include a comfortable rest room for the workers. The Port Authorities have also agreed to build a new dispensary in the port area, which the Director of Medical Services has agreed to staff. Finally, with the agreement of the Port Authorities, the Labour Commissioner has appointed a Labour Officer for full-time duties in the port area. In this connexion, I think it only fair to say that the General Manager of the Railways appointed, some time ago, an African Port Welfare Committee, which has been a notable success.

(vi) Another major cause of unrest on Mombasa Island has been, and I regret to say still is, the shortage of housing, which has resulted, in spite of rent restriction legislation, in the workers having to pay high rentals for poor accommodation. A great deal of progress has, however, been made, since 1945, in alleviating the position by the provision of increased housing accommodation, some permanent and some temporary, for 4,600 workers. In addition, the following permanent schemes for providing housing accommodation for the workers on the Island have been approved:—  
(a) Fourteen two-story blocks of flats to house Government African staff, the capacity of which will be 400; a site for the flats has been agreed and detailed plans are now in the course of preparation by the Public Works Department.  
(b) It is hoped that the scheme, which is commonly known as the Buxton scheme, for the housing of municipal African staff, will be completed by the

end of February, 1947. The scheme has already provided housing for the majority of the existing African municipal staff and, when completed, will provide accommodation for a further 140. (c) A municipal African housing scheme which is designed to provide housing for 8,000 persons on the Island. The lay-out by the Government town planner has been approved by the Housing Committee, and a site of 130 acres has been acquired. The scheme provides for the erection of blocks of flats which will have internal water-borne sanitation and electric light.

In connexion with housing, it is only right to state that the Railways and Harbours Administration have made great strides in housing their employees. At the present time they already provide housing accommodation, some permanent and some temporary, for 95 per cent of their staff.

As an interim measure, the Labour Commissioner has already ordered an immediate investigation into the cost of housing as it affects the value of wages paid, and it is intended to use every endeavour to make rent control effective, thereby enabling workers to obtain accommodation at the proper rentals.

(vii) The Government has also been using every endeavour to obtain a qualified trade union officer whose duty it will be to assist the workers of this country to form themselves into proper disciplined unions, and I should like to emphasize that Government is fully conscious of the desirability of obtaining a person with the necessary qualifications without delay.

Sir, there can be no doubt that the strike was an attempt on the part of a number of persons to hold a pistol to the head of the community at large. That the head of the community at large is borne out by the fact that the strike took place without any notice, and a large number of workers who had no dispute of any kind with their employers were persuaded or intimidated into leaving their employment. The persons responsible for causing a complete dislocation of all essential services and thereby to enforce whatever demands they chose to put forward. In these circumstances, Government took the earliest possible opportunity to make it clear to the



[Mr. Foster Sutton]

in advising the strike leaders to call off the strike was unlawful and that Government would not, in any circumstances, enter into discussion with them until the strike was called off and work had been resumed.

Throughout the strike we had clear evidence that a considerable number of the workers were out of sympathy with it, and would have returned to their work had it not been for the fact that a systematic and underground plan of intimidation was in operation.

As I have already said, sir, many of the workers had no quarrel with their employers. That being so, and in view of the methods employed, the strike could not be regarded as a trade dispute in the generally accepted sense of the term. It was a definite attempt to coerce Government and the country as a whole, and as a result had little public support. Throughout the strike period, owing to the splendid response from all races to the call for volunteers, the port was kept open and all essential services were maintained. (Applause.) In this connexion honourable members of this Council will have seen by the Press reports that ships were loaded and unloaded in record time and the port area had every appearance of normality. I hope that the fact that the Government and public of this country have clearly shown during the strike that they will not submit to unlawful coercion, and that they are capable of maintaining essential services if the necessity arises, will be borne in mind and deter any persons, in the future, from attempting to misuse the liberty to strike.

The right to strike, sir, is one of the great liberties of democracy and, like all great liberties, it can be lost by abuse. The greater the liberty the greater is the responsibility for its exercise. There is nothing that menaces the right to strike more than a constant use of this weapon by unofficial groups of workers, however well intentioned.

It would be ungenerous of me, sir, to conclude this statement without mentioning the part played by the honourable member Mr. Mathu, one of the members

for African interests in this Council, in advising the strike leaders to call off the strike. (Hear, hear.) His intervention undoubtedly accelerated a return to work, and I hope has had the effect of preventing bitterness which might otherwise have resulted if the workers had been compelled, through economic reasons, to abandon the strike. The Government also wishes to pay a tribute to the officers and men of His Majesty's Forces, officers of the Railway and Port Administration, officers of the Government Departments and Local Authorities, and the many volunteers who, under the general guidance of the Provincial Commissioner of the Province, did such splendid work and made it possible to maintain law and order and all essential services. (Applause.)

Sir, I am sure that this Council and the general public will be glad to learn that law and order was maintained throughout the strike period without any serious incidents, and that the Coast Labour Committee has advised employers to avoid any general victimization by reason of the strike. I should also state, sir, that every possible step has been taken by Government and the Railways and Harbours Administration to give a lead in this direction.

I think I should conclude by giving an assurance that the Government will continue to do everything in its power to improve labour conditions, not only in Mombasa but generally, and we are ready at any time to confer with members of this Council who may wish to make suggestions or who have advice to give us.

Sir, if honourable members wish for a debate on the recent events at Mombasa no doubt a motion will be put down.

**HIS EXCELLENCY:** I hope that members will permit me to add that the general control of the situation, from the point of view of law and order, was throughout in the hands of the hon. Attorney General to whom I feel we are deeply indebted for the handling of a difficult situation which came to an end without bloodshed and without any disturbing upsets which can sometimes happen. (Hear, hear.)

## STANDING FINANCE COMMITTEE

### APPOINTMENT OF MEMBER

**MR. TROUGHTON:** Your Excellency, I beg to move: Be it resolved that the Hon. A. Pritam be appointed a member of the Standing Finance Committee in the place of the Hon. S. T. Thakore.

The hon. member Mr. Thakore has found it necessary to resign from the committee on the ground of ill health and because of his business affairs, and I know of no more suitable member to take his place than the hon. member Mr. Pritam.

**MR. FOSTER SUTTON** seconded.

The question was put and carried.

## KENYA DRAFT ESTIMATES, 1947 STANDING FINANCE COMMITTEE REPORT

**MR. TROUGHTON:** Your Excellency, I beg to move: That the Standing Finance Committee report on the Draft Estimates of Revenue and Expenditure of the Colony and Protectorate of Kenya for 1947 and the Draft Schedule of Loan Expenditure be adopted.

The deliberations of the committee this year were—more prolonged than usual because we had a very difficult and complex task. In the end we were not able to reach full agreement, but the differences of view were narrowed down to very little. That little, although little, is important, and I shall refer to it at some length later on.

The committee first of all examined the Draft Estimates as presented to the Council, and on the revenue side they recommended that the revenue estimates should be stepped up by a matter of £340,000, of which about £200,000 is in respect of customs revenue. This recommendation was framed after very careful consideration. The committee had the advantage of prolonged consultation with my hon. friend the Commissioner of Customs and with the Imperial Comptroller, and also had before it much later information than was available at the time the Draft Estimates were presented to the Council, and there is, in the committee's opinion, every prospect that the Estimates, as revised, will be realized.

I need not go through the various other changes in the revenue estimates. In any

detail, but there are one or two items to which I wish to invite attention.

First of all, income tax. The original estimate of £1,000,000 stands, but my hon. friend the Commissioner warned the committee that, in the light of the present trend of profits, we cannot expect much more than, say, £900,000 next year, and that, with the catching-up-of arrears, the estimate is likely to settle down in future at something of the order of £600,000 to £800,000 on the basis of present rates. I mention this to warn hon. members that future budgets are likely to provide severe headaches, not only for Your Excellency's financial advisers, but for Standing Finance Committees in the future, unless there is a rapid change in the economy of the country. Secondly, the revised estimates of revenue include a number of items of a non-recurring character. For example, there is a sum of £25,000, in the Estimates for the sale of crown plots in townships, which is unlikely to recur year by year.

Native poll tax. On the question of native poll tax, I am afraid the Committee found itself to a very great extent baffled. After consultation with the Provincial Commissioners, the committee recommended an increase in the estimate of £10,000, but the committee was not satisfied—and I must speak quite frankly on this—that full account had been taken of the collection from demobilized soldiers, a matter which was raised by my hon. friend the Member for Trans Nziia and by other hon. members during the earlier debate. In fact, the committee examined the figures of collection of native poll tax by provinces over a period of years, and we found that there were a number of features which were very difficult to explain, but which were on the face of it indicated that in some areas at least there was a not inconsiderable amount of evasion. So, consequently, in paragraph 24 the committee recommended that the system in each district should be carefully examined by my hon. friend the Deputy Civil Secretary and myself to ensure that all loopholes for evasion are sealed up as far as possible. I might also add here that it is the Government's intention fully to review the rates of native poll tax, district by district, during the coming year, that is during 1947.



[Mr. Troughton]

The committee gave much consideration to the question of road maintenance and to the creation of a road fund. It recommended an increase in basic road grants to district councils up to one and a half times the 1939 level, and thus met the requests of district councils in full, and it also recommended a similar increase in Public Works Department road-maintenance votes. These recommendations were made entirely without prejudice to the proposed creation of a road fund, but the committee did give some consideration to the question of securing additional revenue to meet additional expenditure on roads. They thought, for example, that there might well be a case for stepping up the petrol consumption tax, provided, and only provided, that the additional funds derived were entirely spent on roads. They were also conscious of the fact that much of the expenditure on road maintenance arises from heavy lorries speeding all along the roads, and they therefore thought that there might be a case for stepping up the licence fees on these heavy lorries, again subject to the proviso that the money so derived should be spent entirely on roads. Both these questions will be examined by the proposed committee to inquire into the setting up of a road fund.

While on this question of heavy lorries travelling across the country at speed, the committee felt that steps should be taken to ensure that the provisions of the Traffic Ordinance are strictly enforced and that my hon. and learned friend the Attorney-General should be asked to examine the penalty system to see whether a revision would not help. The committee made these recommendations because they were really seriously worried at the damage being caused to expensive bituminized roads by heavy lorries speeding along.

On the expenditure side the committee recommended an increase in expenditure of about £280,000, of which about £166,000 is recurrent. The fact is that the Draft Estimates of recurrent expenditure as presented to Council were cut to the bone, and the committee felt that provision should be made for certain new services and for the expansion of some existing services. I will not go through the various increases in detail,

but I will mention one or two increases in expenditure. Local Government contributions all told, which represents money disbursed by local authorities, have gone up by £41,000. Public Works Extraordinary is up a matter of £41,000, and Medical is up by £23,000, in addition to a lot of smaller figures which I will not worry Council with. I do not propose to go through the report in detail, or anything like it; but I should like to say something about some of the more important paragraphs dealing with expenditure.

First, paragraph 71, which relates to Provincial Administration. The committee discussed the position of the Provincial Administration at considerable length, and they welcomed the increased staff for which provision had been made in the Draft Estimates, but we did consider that if the additional funds to be spent on that staff were not to be wasted, then it was essential that they should be used in bringing the African people into closer contact with their district officers. The committee felt that it was all wrong that district officers should be tied closely to their office desks, and that they should have adequate opportunity of spending a fair proportion of their time on *safari*. To enable this to be done, the committee recommended that the duties of district commissioners should be reviewed in detail with the object of seeing how far they could be delegated, or relegated, to subordinate staff, and thus enable district officers to carry out their proper functions.

Paragraph 90, famine relief. The committee gave long and anxious consideration to this question of famine relief subsidies, particularly in Machakos, and, after much discussion and many differences of view, certain clear recommendations emerged. The first was that famine relief—and I refer to subsidized famine relief and not simply to the purchase of food at market prices by people with money in their pockets—that famine relief subsidies should be linked up with Government's declared policy that all must work—[applause]—and that anyone who does not conform with that policy should not be eligible for subsidized relief. This policy may prove difficult to apply in practice, but the Government intends to request the Provincial Administration, in consultation

[Mr. Troughton]

with the native authorities, to take steps to ensure that it is applied so far as circumstances permit.

The committee also recommended that information services in the Machakos district should be intensified in order that the Akamba might fully understand Government's policy. The committee were not satisfied that up to now these services in Machakos were adequate. The reason why they singled out Machakos for this recommendation was, in fact, that that is the only place where famine relief subsidies are being issued on any considerable scale at the moment.

Finally, the committee recommended a joint meeting of the Labour Advisory Board and African Settlement and Land Utilization Board. The question of easing the pressure on the land, the question of the settlement of the Akamba on such areas as Makueni are questions which are intimately linked up with the employment of Akamba in settled areas. These two aspects of employment outside the actual Machakos Land Unit itself, the committee felt, must be tied up, and the best way of doing it was by joint deliberations between these two boards.

Education. That has been increased by a matter of £9,000, which arises from increases spread over a whole host of items, but there are four points to which I should like to invite the attention of Council. First of all, the salaries of primary teachers. We felt on the committee that it would be dangerous to tackle this question in view of the fact that a Salaries Commission was about to start its work, but we did feel that there was a case for allowances to be paid in certain cases of special responsibility, and that is a matter that I am going into with my hon. friend the Director. Secondly, paragraph 116—Arab education. In many ways I am afraid that the Arabs have been the Cinderella of the various communities in Kenya, and the committee felt that more staff should be made available forthwith for Arab education. Efforts are going to be made to recruit suitable teachers in other Arabic speaking countries.

Paragraph 119, Teacher Training. The committee felt that it was really urgent to get going full steam ahead with teacher

training. I should like to read one sentence, the last sentence of this paragraph: "It also felt that every effort should be made to build the necessary buildings to enable teacher training to be got under way and that, where permanent buildings could not be built in the future, temporary buildings should be provided with the help of the local inhabitants". It came to the notice of the committee that at Embu recently Government invited the local people to build a primary school in temporary materials. The local people agreed at once, and they got busy. From far and near materials were brought to the site, and in no time the necessary buildings sprang up, without expenditure on the part of the Government. Admittedly the buildings are not Baker buildings, they are temporary buildings, but they do represent a way of making rapid progress with the active co-operation of the African people concerned. [Applause.]

Finally, on education—Makerere. The committee here accepted an important principle. If additional students qualify for admission to Makerere and wish to take advantage of those facilities, and the accommodation at Makerere is free, then the committee agreed that the necessary financial provision should be made automatically, because they felt it was of the greatest importance that the facilities at Makerere should be made full use of by this colony.

Information Office. The committee discussed the Information Office at length—it always does every year, sir—and it came to the conclusion that a complete review of the set-up should be carried out this year, but, irrespective of that review, the committee felt that there was one particular way in which the activities of the Information Office were lacking, and that was that we had not got the right Africans—really influential people—to pass on to the people an explanation of the Government's policy. The committee felt that this was of the very first importance, and accordingly we recommended the appointment of six African liaison officers under D.A.R.A. to be charged with this duty. It may be difficult to get suitable people, because people of a very high standard both of intelligence and influence are required, but every effort will be made to do so.

[Mr. Troughton]

Paragraph 214. The committee there recommended that Government should take active steps to encourage officers to build their own houses. The housing problem is acute, and the committee felt that there was a lot to be said for an arrangement under which people of all races could borrow the bulk of the capital cost of houses, on reasonable terms, erect them and "draw" house allowance while living in them. That question is being pursued in detail, and I hope to put detailed proposals before the Standing Finance Committee very soon.

Paragraph 222. The maintenance of Government buildings is sadly in arrears, due largely to shortage of labour and materials, and we felt that an attempt should be made to catch up with those arrears. But we also felt that there was a great danger that funds on arrears and maintenance would be wasted unless there was proper supervision, and we wish to stress that point as strongly as we can to my hon. friend the Director of Public Works.

Paragraph 227. The Government hopes to take very early decisions on this Police Terms of Service Committee report and, in fact, would have done so before now had it not been for the pre-occupation of my hon. and learned friend with still more urgent matters in Mombasa. But we have made a token provision in the estimates. It is purely token, and not based on the cost of any particular recommendations. The Council should, I think, know that the committee was informed by the Commissioner of Prisons that any improvement in the terms of service of the police would lead to demands for corresponding improvements in the warder staff in his department, and the same would no doubt also apply to other departments, such as that of the Conservator of Forests.

Paragraph 266. Residential Settlement. The Government regards the encouragement of suitable residential settlement as of very first importance. The colony, we feel, can derive nothing but good from having carefully selected people with independent incomes who are prepared to bring something to the country and spend it here. There are difficulties in organizing such settlement, difficulties in

getting suitable land, in arranging suitable sub-divisions, providing water and ancillary services. But these difficulties must and can be surmounted, though it means some expenditure of public money. That, I think is an investment well worth while, because this colony does provide a valuable haven, valuable to us and to them, for those people of independent means who like a quiet life (laughter), and dare I say it—a relatively low rate of income tax. (Laughter and "Oh!")

Paragraph 295. Sotik Transport Subsidy. I must draw the attention of Council to this paragraph. The Economic and Commercial Adviser, Mr. Hope-Jones, has recently submitted a most valuable report to the Government on the provision of transport services in this area, and his recommendations will be dealt with quickly. But I must make one thing clear. My information is that there is a tendency in the Sotik area for land to change hands at inflated prices, and that one cause of this inflation is the belief that Government intends to provide a transport service with a permanent subsidy. There is no justification for any such belief. (Laughter.)

Paragraph 322. The committee felt it desirable to record a note of warning about public health services in Nairobi. We recognized that the health of the capital was a consideration of the first importance, but, nevertheless, a limit must be placed on financial grounds to the expansion of public health services. So far as Government is concerned, the position is all right for the next two or three years for a consolidated health grant is paid to the Nairobi Municipal Council, but the amount of that grant will come up for review in due course, and the committee felt that the Council should be warned that they cannot expect any very great increase and, therefore, they would be well advised to follow a cautious policy in regard to the expansion of public health services.

Medical services. The committee recommended a very sharp increase in expenditure on medical services in order that a start might be made with the development programme. In fact, the hon. Member for Health and Local Government had a very profitable innings with the committee one day. The committee recommended an increase of

[Mr. Troughton] the real increase was rather £23,000, but the real increase was rather greater than that, because a matter of £10,000 was shifted over from 1947 to 1946. I am by no means sure that our expenditure on medical services is not showing a tendency to rise unduly rapidly (hear, hear), and it was only with some misgivings that the committee felt able to approve the recommendations in the report.

I have not dealt with expenditure in detail, but I feel that I must sound a warning—I am talking of expenditure—that the recommendations in this report involve a very heavy increase in recurrent expenditure and that they, when we couple them with the recommendations in the other report on the D.A.R.A. Estimates, foreshadow a very heavy increase in recurrent expenditure in 1948. That, sir, quite apart from any further expansion of the development programme. There will be additional expenditure in 1948 on works being carried out in 1947 which will be completed by the end of the year, and in respect of staff for whom provision has been made for only part of 1947. My hon. friend the Chief Secretary will no doubt talk on this at rather greater length when he comes to deal with the second report, but I must give a clear warning that the expenditure policy advocated by the Standing Finance Committee, by all of us, in this report will demand a heavy revenue from taxation in the future. There is no use blinking the fact. The expenditure estimates as presented to the Council represent recurrent expenditure cut-to-the-bone. We have written them up, and writing them up will give rise to further expenditure in the future. In the end there was no difference of opinion among us regarding the expenditure estimates. We felt that this expenditure must be increased in the interests of the development of the colony, and we share, I submit, collective responsibility if and when the 1948 bill comes along and is bigger than the 1947 bill.

That brings me to the very important question of taxation. The colony's budget is balanced now by a narrow margin. The revenue and expenditure estimates, in so far as they are estimates, have received full acceptance by the Standing Finance Committee. We are inevitably faced with further expenditure

in 1948. Therefore, any reduction in taxation which may be made in 1947—and we felt it desirable to put this on record—any such reduction would almost inevitably lead to an increase in other forms of taxation or to the introduction of new forms of taxation in 1947 if the development programme was to proceed, and if the present level of costs continued. The development programme itself has been accepted as something that is relatively modest and unambitious in relation to the colony's needs, but I submit is ambitious in relation to the colony's resources.

That, so far, is more or less common ground to all members of the committee, and there agreement ended.

The majority of us felt that it logically followed that it would be wrong in present circumstances to reduce taxation further, unless it could be established that there were really good reasons for it and that real hardship, in fact, existed which should be remedied whatever the circumstances. Now, sir, the Government is committed to the appointment of a committee to investigate the whole question of the incidence of taxation, and other taxation questions which are set out in detail in the report, and therefore seemed to the majority of us that we should hang fire on any question of tinkering with existing rates of taxation until that committee had had an opportunity to investigate the matter more fully than we were able to do. Three members of the committee, however, felt that the Government should go further and should introduce forthwith a system of discounts on income tax assessments. They pressed their view, those three members, on the rest of the committee with the greatest determination, but the rest of the committee did not feel able to accept their proposal. That was not because we thought that there was anything wrong with the proposal, but for two reasons.

First of all, it was not yet established to our satisfaction that there was any real economic justification for the proposal, though no doubt it would have a good effect politically. Secondly, if funds were available to satisfy a reduction in taxation we were not satisfied that this particular reduction should be made. For example, it would benefit only about 6,000 people out of a total

(Mr. Troughton)

estimation of four million odd, and if it is at least worthy of considering whether any reduction in taxation should not be worth it as benefit some at least of the remaining £380,000 odd. We also felt that the proper course in the circumstances was to put this particular proposal to the committee which it is to be approved, and to recommend it to the committee for their careful consideration. This is another important aspect of this. We had, as assurance from the hon. Commissioners of Inland Revenue that a amending legislation were introduced and passed by the Council before the 31st September of this year, it would be in time to enact the first instalment of the 1947 income. Therefore, if the income tax concession was going to be made, there is a urgent hurry about introducing the necessary legislation.

Secondly, I have from the hon. member, the same three members of the committee, that proposal, but should be allowed as a set off against income tax. There is a danger that as with all proposals, but exactly the same result can be obtained by an increase in the personal allowance for income tax purposes, and the committee was of the opinion that this was more in accordance with the general principle which were proposed in 1946.

These were the two matters on which the committee was divided, but as I said earlier, the difference is important.

The discussion on taxation was closely related to a discussion on the high cost of living. The committee were very interested in their mind about the present high cost of living and, indeed, all responsible people must, I think, be exercised about it. The cost of living was found to be affected by a number of factors, by the high cost of imported goods, by the rise in them, by the margin of profit permitted under the three Control Regulations, by the high wages now being demanded by the public employees, by workers, notably railway and transport, and last, by the cost of the price of primary products. I should like to say a word about each.

We have the control over the general imported goods at the time of arrival at the port, but we did examine the customs tariff, and we came to the

conclusion that it was doubtful whether the revenue lost by a reduction in customs duties would be commensurate with the very small reduction in the price level index which would result, but we did feel the matter was worth pursuing in more detail, and consequently recommended that the relationship between the tariff and the price level index and the effect of variation on the price level index should be examined by the Economic and Commercial Adviser and a report made to the committee on taxation. We felt as a committee that, despite all the arguments about expenditure, the high cost of living was so serious that we would be justified in a material sacrifice of revenue provided—and only provided—it resulted in a substantial fall in the cost of living.

Next, Prime Minister, we recommended in the first place the stepping up of the staff of the department by the appointment of some additional price inspectors, but we also considered that the time had come when the maximum margin of profit should be fully reviewed and new arrangements were made. Circumstances have changed since they were originally fixed—for example, through the reduction in the gross profits tax and the estimated increase that the same had some effect, should reduce their margin, particularly where essential goods are concerned. When I mentioned the limitation of the excess profits tax on the Council over a year ago, I made it clear that it was not the intention of the Government that the abolition of that tax should be used for the purpose of increasing dividends, and that remains the policy. On the other hand, the policy in regard to essential goods is to suspend control as and when the nature in the supply, and I have recently approved the suspension of price control on a large list of commodities, which will come into force forthwith. These include some dairy products and livestock, all sorts of foodstuffs like certain fruits, three public also, certain local products and through a whole variety of such. Most public, such as handbags, suitcases, and things of that sort, and I hope more will follow before New Year. If there is any undue tendency for prices to rise, we may have to improve control.

(Mr. Troughton)

The next point is the question of a wages policy. This particularly affects the building and clothing industries, and more particularly still the cost of tailoring—and by tailoring I mean all the various processes which intervene between the cloth in the piece and the manufactured garment. The wages of tailors and artisans—I am referring to non-natives—have shown a tendency to rise which has become accentuated with the departure of our Italian prisoners of war, and the committee was firmly of the opinion that the Government should investigate the matter closely with a view to securing a reduction in the cost of clothing and the cost of building. A reduction of the wages of tailors, if it could be brought about, would have a much greater effect on the cost of living than a corresponding reduction in the tariff on imported cloth.

Finally, primary products. The committee all agreed that the prices of primary products should be such as to give a fair return to the producer. Nevertheless, the question needs watching in the light of its effect on the cost of living. As an example, the Government rejected recently a proposal for a modest increase in the excise duty on a certain commodity on the ground that that modest increase would send the cost of living up. During the last day or two I have had on my table a request by the producers of that commodity for an increase in the price amounting to four times the proposed increase in the excise duty which we rejected. That request obviously merits the most careful consideration in view of the effect on the cost of living.

I have not done more, sir than to cover the most important matters dealt with in this report. For the rest, the report speaks for itself. It represents the result of a lot of very hard work, mighty hard work, a lot of hard thinking of all sorts of hours, by members of the committee at a season of the year when they would have preferred to be festive, and I therefore commend the report to the fullest consideration by this Council.

MR. FOSTER SUTTON seconded.

MR. TRENCH: Your Excellency, while last time in speaking to the budget

debate I spent a very long time indeed. To-day I propose to be extremely short, and it is going to be, shortened by the fact that I have not been able to get Hansard, I think that is a very great pity, because there is no doubt that there might be many points that one would like to take up and incorporate in one's speech, so I do hope in future every effort will be made to enable members to get the Hansard of their budget speeches immediately.

When the Standing Finance Committee report was handed to me and I looked at it, I must confess I rubbed my eyes and I looked at it and looked at it time and again, and I came to the conclusion that this budget, as presented, was nothing more than a "phony" budget, and I am convinced of that more than ever. I accused the hon. Financial Secretary when he came up country of under-estimating the revenue; it appears to me now that he also under-estimated essential expenditure. I cannot see why six weeks ago he could not see how this Council what the real position was then.

It seems to me that the Standing Finance Committee tackled the proposition like this, I have heard two opinions expressed on the methods of procedure, and I am more convinced than ever that my assumption is correct, that is that the revenue was first of all considered, and the Standing Finance Committee came to the conclusion that they could rely on a further £380,000. They then set about expenditure. Admittedly they may have had the desire to keep expenditure about the same, but the fact down as much as possible, but they do remain that when they had increased their deliberations they had increased their expenditure by £100,000, and then, to expenditure by the hon. Financial Secretary told us that £166,000 of that was recurrent. I suggest that if the Standing Finance Committee had found in their examination of the revenue estimates that they could not rely on any more revenue, then the expenditure as originally presented in this budget should have been maintained, and it only because of increased revenue that they have done what they have done. If they have done what they have done, the representation of the taxpayers in this country, then one would expect that this budget as it has come back from the Standing Finance Committee would at least bear

[Mr. Trench] some relation to the views expressed from this side of Council. I suggest that, but the acceptance of the committee to inquire into the incidence of taxation, it has been, in my humble opinion, an extremely good bolt-hole for the hon. Financial Secretary and his confederates. (Mr. COOKE: Conspirators!) . . . I have lost my train of thought—these smiling faces upset me! (Laughter.) . . . Anyway, the point is that Government would not have dared, or the Standing Finance Committee would not have dared, to come back to this Council with a deficit of a quarter of a million. The European community, which is the largest taxpaying community in this country, definitely asked for reductions in taxation from surplus revenue. In spite of that, surplus revenue has been expended. I consider that the Standing Finance Committee have done an extraordinary good job of work. They claim that they have sat for 100 hours; that they have missed good lunches, good dinners, and so on! They have spent and created recurrent expenditure to the tune of £2,830 an hour—not a bad effort!

I am afraid I must stress again several points about this budget or the Standing Finance Committee report. The first one is famine relief. I do not like the word "normal" that has been inserted. That again, to my mind, lets the Government out. While one appreciates that they hope to make further efforts to ensure that able-bodied men do not receive famine relief, I still feel that, if there is a show-down at any time, one of their answers will be that the particular instance is not "normal".

Again—this may sound racial, but it is not really racial—if any community, whether black, white or brown, demands social services, they must be prepared to work and to help very considerably to pay for them. I refer to medical services and the facilities which are being rendered and which it is proposed should be rendered to the African community. I realize a committee is probably going to inquire into the question of the African paying something towards medical services that are being rendered to him. I do hope that committee will get on with the job, because, as has already been stressed, the costs of medical facilities are rising very rapidly, chiefly, in

regard to the African, and I believe the African is willing to pay. Any man—black, white or brown—if he gets something for nothing does not appreciate it, and there is no doubt about it. The African appreciates modern medical assistance, and I am quite sure that if he is asked to pay for it he will do so, and thereby help to reduce the recurrent expenditure of the country.

The next point I should like to make is about poll tax. I, personally, always thought that it was a most iniquitous thing when the hut tax was converted to poll tax. I fully appreciate that the old men of all the tribes were consulted and one could expect but one answer, that poll tax was the proper thing. We are told on all sides that the African population of this country has doubled recently, but poll tax has remained static, as we know, for years. I know from actual experience up country, on my own farm, that there are many Africans, who do not take their share of the tax, but they pay. They do their own work and then suddenly they get the wind up and probably want to pay two years in one. Let us have it on the same footing as the non-native taxation. We have to pay an increased percentage on our personal tax or income tax if we do not pay on due date. Why not the African? If after the sixth month of the year has lapsed he has not paid, why should not his poll tax be put up by another Sh. 2 as penalty? You may say that these people are ignorant, but if the African is going to advance he must expect these little knocks to bring him up to date and to live in a world in which we are trying to make progress to-day. So I consider that every effort, by that means or by other means, should be taken to see that poll tax is properly and thoroughly collected.

Again, I suggest that the expenditure side of this Standing Finance Committee report and budget should not have exceeded what was originally presented, and they should have given closer consideration to the question of priorities. I disagree, much as I support the hon. Labour Commissioner and his staff and the work he has already done—I think it is a tremendous credit to him—but I disagree entirely with the fact that he wants new offices, as it is at the present time entirely inappropriate. He is shaking his head, but I have read it somewhere—perhaps not at headquarters—

[Mr. Trench] that he requires £10,000 for something of that nature. Well, I say he can wait.

On the question of buildings, the hon. Chief Secretary, I believe, goes through the cost of such things with a very fine comb indeed, and I hear sometimes very bitter comments of what he cuts out. But I would like to know why an item of housing for African veterinary staff at several places—Kisii, Naivasha, and so on—is £9,000. I do not know whether it is for villages or houses for a few staff at each place, but an explanation of that amount I should be glad to have. In fact, however, of the high cost and the rising cost of building to-day, I suggest that that is extravagant. I am quite sure the hon. Financial Secretary will come back and say that the Member for Rift Valley has asked for increased expenditure. Quite. I realize that just as well, I have been long enough in this Council to realize that you have to be careful what you say and to remember it! (Laughter.) But I would have had little quibble with this expenditure if the expenditure had possibly been increased by a matter of £50,000 or £60,000. I do not think that would have overstepped the mark and would have been reasonable, because we have asked for better terms for the police and several other items. But I heartily disagree when he tries to put that over as a real genuine excuse for greatly increased expenditure.

Again, it did horrify me to hear him this morning say, apart from the £165,000 recurrent this year and in future, that the hon. Commissioner of Inland Revenue had warned the Standing Finance Committee that they must expect a decline in income tax. There is a warning already, and yet the Standing Finance Committee come back and put it to us that we have got to agree to spending out last penny in increased expenditure this year. With that before us, it seems to me an extraordinary position. Again, I believe I am right in saying that the hon. Financial Secretary did say that some of this revenue would be non-recurrent. There again, it upsets me considerably when one hears that sort of thing. Furthermore, just going back for a second, I am glad to hear him admit there is a not inconsiderable amount of evasion in native poll tax. That I know well, and will be on record,

and it will be useful to us when we go into the incidence of taxation in future.

Turning to D.A.R.A. one agreed in principle to the report . . .

His EXCELLENCY: There is going to be a further debate on the Standing Finance Committee report dealing with D.A.R.A. unless members would like to take the two together?

SIR A. VINCENT: Certain aspects will have to be mentioned, sir, because they impinge on one another.

His EXCELLENCY: Yes, but the report itself will be the subject of a separate motion.

MR. TRENCH: I did, think that after representations put forward from this side of the Council and in particular the European community, who are very largely the backbone of this country, that some notice over and above the appointment of that committee would have been taken by Government, and I had hopes that Government would be big enough, that they would be enough psychology in Government to-day, that they would grant this relief on income tax. I have got the impression that they do not intend to, that once again they are running down their bolt-hole, and referring the matter to that committee. So I find myself compelled to oppose the Standing Finance Committee report and the budget as now proposed.

DR. RANA: Your Excellency, it was not my intention this morning to say anything, not even on the strike or anything else, but as I have been compelled by my colleagues to put the Indian case by I would first of all start by saying that I support the motion moved by the hon. Financial Secretary.

I will not deal with many details nor intricacies, for I do not want to waste the time of the Council, but one thing which did strike me on page 23 under the expenditure head is the whole subject of Controls, on which Your Excellency will remember that I laid great emphasis in my budget speech. I would request the hon. mover, who I think is president of most of these Controls, to give some consideration to the matter of trading licences. In my speech I mentioned that no reply had been given to me on that matter of the restriction on trade, irrespective of what kind of trade it is, and which is one of the great causes in the

[Dr. Rana] increased cost of living. There are certain traders, most of them belonging to my community, who have to some extent a monopoly in trade, and no new people are allowed to come in any trade. As long as we do not have that restriction removed and there is not that honest competition between consumer and trader, we shall never get the cost of living reduced.

Under these circumstances I would request the hon. mover to see that Government takes the necessary steps to remove these restrictions, so that people should be given licences to trade and the poor Asiatic community be able to get their stuff at competitive prices. Furthermore, as I have said, and I want to repeat it, this restriction has been removed in Tanganyika and Uganda, and I cannot understand why this Government has insisted on its retention here. If I want to open a shop and I make a loss, that is my affair, and I cannot understand why Government still persists in this control. I further want to request Government to have a report submitted to this Council as to what Controls are going to be removed, or what action is being taken. There is a committee sitting. I understand, but I have never seen a report of theirs, but to-day we have all this expenditure on Controls, which I do not wholeheartedly support, though at the same time I have to submit to expert opinion which may think it is for the good of the country.

I request Your Excellency and particularly the hon. Chief Secretary—who has got a huge sum to spend under his vote—to formulate some scheme whereby skilled and semi-skilled labour needed for building and so on should be imported. I do not say on what restrictions, because that question will come up and I may have something to say about it, but under the circumstances no housing progress can be made unless we have fairly reasonably economic labour. That applies to the African and, regarding the recent strike, I have some sympathy with it to some extent as far as the high cost of living is concerned, for it has increased beyond all proportions. It is not only with Africans, but with Europeans and Asians, and Government should say which are the Controls and Defence Regulations which should be taken off.

The second thing is that I only want to support the minority report by my colleague, Mr. Pritam. I think there is some sense in it (laughter), and I request the hon. Chief Secretary, who again is chairman of D.A.R.A., to take it into consideration and give it a reasonable reply. With those few words I support the motion standing in the name of the hon. Financial Secretary.

ARCHDEACON BEECHER: Your Excellency, I am very happy to rise in support of this motion, and not least because of the very willing acceptance by the official and unofficial members of the Standing Finance Committees of a number of proposals which I myself made. Some of those I made reference to in the budget debate and was rather roundly trounced for having done so, but when they came to the Standing Finance Committee in the clearer atmosphere of Government House, we were able to come to a compromise on several matters.

Reference has already been made in the opening speech of the hon. Financial Secretary to some of those points and, indeed, it gave me considerable pleasure to hear him enunciate some views of mine as if they were his own!

I should like to deal in numerical order with a number of paragraphs in the report.

The first is paragraph 5, which is on the general question of the adjustment of allowances in respect of income tax to persons who participate in the general welfare schemes of the colony by themselves undergoing considerable capital outlay. My colleagues pressed me to put it in at this point. I should have preferred to have seen it in the report of the committee on the D.A.R.A. Draft Estimates, and I should like to refer to it there rather than here.

Paragraph 24, on the subject of African poll tax. This subject still remains one on which there is a good deal of talk, sometimes of a rather wild nature, and a good deal of criticism. The hon. Member for Rift Valley indulged in what I may say with deference criticism based on hearsay and incomplete information this morning. The Standing Finance Committee sought as conscientiously as it could to go into the whole question in an attempt to get some final

[Archdeacon Beecher] conclusion on it, but, as already pointed out, the information at our disposal was quite inadequate for a complete evaluation of the true picture, and I should like to repeat the request made in the Standing Finance Committee report for further details to be given by Government. We asked for details showing the rates of tax applied to each district year by year during the period which was covered by the table set before us, and also asked for an indication of the loss of revenue occasioned by exemptions and partial exemptions in certain specified years. Even if that information is made available to the Standing Finance Committee, I very much doubt whether it will be possible to get a satisfactory answer to this particular question.

I think there is a need, for this and for a variety of other reasons, for a census of the African population of the country as well as other communities. And I would commend to my colleagues on this side—and more particularly to Government—when making their plans for that census the recent Colonial Office White Paper on "Demography and Census in the Colonies", which was prepared by the Colonial Social Science Research Council in consultation with Dr. R. R. Kuczynski. That contains some very sound common sense in the matter of the evaluation of certain vital statistics, without which it is quite impossible for us to get any plans for the future of this colony, whether in respect of fiscal or other matters.

Paragraph 90, Famine Relief. I am in general agreement with that paragraph, but I should like in particular to stress sub-paragraph (c). The hon. mover has already made reference to this, but I would like to put further emphasis on what he has already said. In my opinion, the agrarian problem is most acute in the Kamba country, though by no means confined to it, and I repeat my firm conviction that the solution of the agrarian problem depends on the solution of an associated problem, namely, that of the provision of full social security in terms other than land in return for a full day's work. I do not mince matters. I am fully prepared to support my colleagues when they say that this can only be done in return for a full day's work, but I must also

insist that if that full day's work is done, then full social security must be provided for the persons who give that full day's work. I maintain, without going into detail, that had it been possible for that form of social security to be realized by the African population, this country would not have suffered the indignity of the recent Mombasa strike, nor would the squatter problem still persist in its present form. I do not propose to say more about that here, but I shall seek an opportunity of doing so at a more appropriate stage.

On this subject of famine relief and the insistence that all must work, and the particular reference this paragraph makes to it in respect of the Kamba country, I should like to put on record some of the facts which I obtained from a welfare officer working in that district. He told me that he had on his books the names of roughly 4,000 ex-soldiers who desired work, and of that 4,000 he had been able to provide work for 42. The only work which remained to the others, however many it is, 3,960 or so, was cutting sisal at Sh. 18 a month. I do not want to pick a quarrel with the sisal growers, but I maintain that these men who have been accustomed to family remittances and an ability to provide some form of social security for their families during the war, will not readily undertake the cutting of sisal at Sh. 18 a month, and for such people other employment providing more adequate social security must be found in return for a full day's work.

Paragraphs 119 and 120, to which the hon. mover has already referred. I do press for the considerable further use of temporary buildings, and would ask Government to allow nothing to stand in the way of, the immediate inception of their teacher training proposal. I believe that the education of the African in community stands among the highest in the priorities for development at this time. The hon. mover paid generous tribute to the people of Embu for the way in which they responded to the request for aid in the immediate carrying out of a particular education project. I believe that if similar appeals were made to the African people in other parts a similar response would be forthcoming, and it would then be possible to proceed at once with these much needed educational projects.

[Archdeacon Beecher]

Arising out of paragraph 120, I should like to stress again the educational needs of the coast area and the need for immediate provision of teacher training there.

Paragraph 129, the Information Office. There again, I have what might be described as a minority note. I am in full agreement with the preceding paragraph which calls for an examination and review of the whole of the set-up of the Information Office, but I am a little doubtful whether anything will be done when that review has been made. All too frequently in this country we find ourselves referring this or that problem to a commission of inquiry, and their reports have been tabled or perhaps marked "Confidential" and tucked away in a cupboard so that no one may see if anything further is done. I maintain that in connexion with the Information Office something must be done at once. We have got to get away from the war time set-up of the organization. I do not wish to minimize the valuable part that Office played in the life of the country during the days of war, more particularly in the days of the Abyssinian campaign, when there was a good deal of public apprehension; then the Information Office did valuable service. But that Office has failed, in my opinion, to adjust itself to peace time conditions, and more particularly it has failed to get across to the people vitally concerned the situation in connexion with the development and reconstruction programmes. Therefore I have quite bluntly suggested the abolition of the Information Office as such for the present time and its substitution by a Publications Board under the direction of an editorial secretary. I do not envy him his job, but it should be clearly specified, that Publications Board should be responsible for the preparation of books and pamphlets, posters and other visual aids, and a programme should be launched side by side with the implementation of the Development Report. In this particular connexion I draw attention to the fact that it is proposed that, working in connexion with the Development and Reconstruction Authority, there should be six African liaison officers, men of a high calibre who would be charged with the enlistment of African sympathy and co-operation in the Development Report.

Paragraph 216 and the following paragraphs, Public Works Extraordinary. I am not going to quote any Latin tags at the hon. Director of Public Works today, nor am I going to break a lance with him; but I should like as strongly as I can to underline paragraph 216. I believe that a good deal more of the work of the Public Works Department should be undertaken by private contractors, but I am very far from convinced that the hon. Director is getting really and truly competitive tendering at the present time. Therefore I propose that in future years—and I trust that Government will give consideration to this—the printed Estimates should not contain detailed reference to the estimated cost of particularized items, but that such details should remain confidential. That will leave the hon. Director to start with no preconceived figure in his mind and will enable us to get much more competitive tendering than we get at the present time.

Having said that, I should like to underline what the hon. Member for Rift Valley said this morning, namely, that the costs of public works at the present time are far too high and considerably in excess of the capacity of this colony to pay for them. We must get very considerably reduced standards beyond the reduction imposed on that department by the hon. Chief Secretary already, and I trust that the hon. Director of Public Works will not feel it is beneath his dignity to take advice and, indeed, to carry out the construction of temporary and semi-permanent buildings.

Paragraph 248 and following paragraphs, where my hon. friend the Member for Mombasa and I urged that Government should fund their pension liabilities. It was prophesied that we should soon be turning the corner as far as our annual liability for recurrent expenditure was concerned in respect of this particular item, but that shows no sign of coming true. It is estimated that our contingent liability in 1947 in respect of officers now in the Service is something over £111,000, and in addition we have got the liability of £290,000 for past officers now pensioned. I maintain that there is no argument against our funding our present and future liabilities, year by year, while continuing to pay for what the past should have funded, and thereby achieving as rapidly as possible a

[Archdeacon Beecher]

situation in which the present pays, year by year, in full for the services which are rendered to it. That is to say, we should pay our staff and their hidden emoluments and also their pension liabilities, so that we leave no uncertain burden on the future of this colony. I trust Government will give consideration to this matter and take action at once.

Paragraph 263, Office of Member for Agriculture and Natural Resources. My hon. friend the Member for the Coast has a minority note here which concerns itself more particularly with African land settlement. Therefore, with your leave, sir, I will refrain from commenting on that here, but I shall have things to say in connexion with this particular item in connexion with the Development and Reconstruction Authority Report.

Paragraph 349 and following paragraphs on the general subject of taxation. I am absolutely convinced that we unofficial members of Legislative Council will be falling in our civic duty unless we secure from Government effective action in scaling down the retail price level index. That is something which is crippling the lives of members of all ranks and all communities in this colony at the present time. With the retail price level index at 64 to-day, almost every member of the community, except the most wealthy, is finding life quite impossible. I asked for certain information during the course of the Standing Finance Committee examination of the Estimates which might enable me to make specific proposals in this matter. That information was forthcoming, but after a careful examination of it I was by no means convinced that I, or anybody else, would be in a position to make specific recommendations, but I should like to point out the type of thought that I had in my mind.

I will take one particular item from the cost of living schedule—item 18 in the Price Controller's book of words, which deals with "women's ready-made wearing apparel, including handkerchiefs of United Kingdom, American or South African manufacture". The Price Controller allows 17½ per cent to the first seller, 7½ per cent to the second, 5 per cent to the third, and 45 per cent to the seller on the "not for resale" invoice.

The Price Controller adds that up to 75 per cent, but he has here, as elsewhere in his schedule made the mistake of assuming arithmetical profit instead of compound profit, because the second man obviously makes his profit not on the original cost alone, but on the original cost plus profit. On this particular item the gross profit on a compound basis comes to 92.4 per cent. Say you take an article, the landed cost of which is Sh. 100, Sh. 20 is paid for customs, Sh. 20 is paid for surcharge, if that particular article contains any silk, and allowing Sh. 5 for general charges you get Sh. 145. Add to that 92.4 per cent the Price Controller allows to the various intermediaries, and you have a total cost to the purchaser of Sh. 279 for an article whose c.i.f. value was Sh. 100! That applies to all the items in the cost of living schedule, and the compound rates of profit vary between 74.4 per cent and 92.4 per cent. My arithmetic may be faulty, but I offer the book to anybody who cares to work it out again for themselves.

I maintain that, as goods come into freer supply, not only should it be possible for customs surcharges to be removed (although that will only make a small contribution to the reduction in the retail price level index) but also that the retail price level allowed by the Price Controller, should be very considerably restricted. In addition, I most strongly support the remarks made by the hon. member about a more rigid control over the charge for "services rendered". If you take that Sh. 100 for material that arrives in Mombasa, and instead of being a manufactured article take the case of it being in the piece. The profit on that, instead of being 92.4 per cent would be 74.4 per cent, and its cost when it reaches the hands of the final purchaser would be of the order of Sh. 250 instead of Sh. 260. The custom of the various shops that turn that imported article into the piece into an article, fit to wear—or deemed fit to wear—is to double the retail cost of the piece goods for "services rendered"; as they call it, and so one finds that one's lady friends are paying something of the order of Sh. 500 for a dress made out of material that I landed up in Mombasa for Sh. 100. I have taken, admittedly, European garments, but that same argument applies



[Archdeacon Beecher] all the way through the various articles of clothing worn by the inhabitants of this country. It applies to the African's pair of shorts and his shirt, it applies to the African woman's frock in exactly the same way in roughly the same proportions, and clothing constitutes about 17 per cent of the items which are included in the working out of the retail price level index.

I maintain firmly that we unofficial members must press Government to do all in their power to see to it that this price level index is sealed down. And until that is done I do not feel justified in lending my support to the request that is made for any particular form of relief to a particular section of the community. I am prepared to review the picture as a whole as soon as ever all the details are available to us, but I maintain that, while it is true that all members of the community need relief at the present time, those who need relief most are the non-income tax paying members of all communities that make up this country. Until that is done I must defer my support or my opposition to the proposals made by certain members of the Standing Finance Committee in paragraph 358 of this report. About that I shall say nothing more now, because I must defer judgment, save this: there is every evidence that the Development and Reconstruction programme will place upon this colony very considerable consequential recurrent expenditure, and I do not quite see how we are going to be able to meet that consequential recurrent expenditure if we discount income tax.

Finally, I should like to pay my tribute to the friendly spirit of co-operation that marked each stage of the work of the Standing Finance Committee. Admittedly we were not always agreed on all points, but nobody was denied a friendly hearing on any point that he chose to make. In this connection I must express my personal surprise that my hon. friend the Indian member of the Standing Finance Committee found it necessary to make this particular minority note, because he, like me and every other member of the Standing Finance Committee, had every opportunity of securing for himself a patient, and I believe effective, hearing on any point that he chose to bring for-

ward. As I sit down, allow me if you will to pay my tribute to the kindly patience of our Chairman, the hon. Chief Secretary. Without that kindly patience this difficult task would not have been accomplished.

I beg to support the motion.

MR. COOKE: Your Excellency, in rising to support the motion I should like, in the first place, to make it quite clear that I associate myself with my European colleagues on this side of Council in their request that there should be a further reduction in income tax. I do that for two reasons. First of all, because I am convinced that there are a number of people in this country on the lower income salaries who are finding great difficulty in making ends meet to-day. I do not think, with all due respect to my hon. friend the Financial Secretary, it is a very valid argument to say that, because at the moment the Standing Finance Committee could not see its way to find relief for 99 per cent of the people of this country, therefore they should not give their blessing to relief for the remaining 1 per cent. My second reason is this. There is—rightly or wrongly—a feeling of bitterness in this country among the Europeans that they are paying a higher proportion of taxation than they should. Whether that feeling is rational or reasonable does not at the moment concern me. The fact is the feeling is there, and I think it is a pity that we should exacerbate feelings in this way if it possibly can be avoided.

If I may digress for a very short time, there seems to be a most extraordinary idea in this country, not only among Africans, but I regret to say among a few Europeans, that bank notes, for instance, grow like blackberries on bushes, or that money is turned out of a machine, like sausages, and all we have to do is to flood this country with these notes in order to ameliorate the position. It seems to me that people do not really differentiate between what is wealth and what is money. If I may employ the jargon of "The Economist" for a moment, wealth, of course, is that which has exchange value, and money is merely a medium of exchange. If you and I, sir—if I may take you as an example (laughter)—were cast on a desert island alone (Your Excellency need not shudder

[Mr. Cooke].

I do not think there is any possibility of that happening!) and I had a bag of potatoes and you, sir, had a bag of notes, I would be immensely more wealthy than you, but you would have more money than I. So I think it cannot be too strongly emphasized, especially among the Africans of this country, that money, which is only a medium of exchange, cannot be created without wealth, and that wealth cannot be any manner of means be created without hard work. There is no getting away from that particular fact, that it is only by the sweat of the brow that wealth can be produced, and unless the African as well as the European is prepared to toil, we may talk till we are sick about taxable capacity and everything else. (Applause.)

I now come to a few items on which I have some remarks to make, and I am going to be very brief, Paragraph 90—I am going back again, I regret to say, to the Taveta scheme. I understood the hon. Member for Agriculture to give two reasons in defence of this, what I call, great waste of public money. The hon. gentleman said, if I recall him aright, that expenditure was sanctioned by the Standing Finance Committee of those days, I was not a member of the committee at that time, but I cannot imagine that those prudent and sagacious gentlemen who then comprised that committee would have sanctioned this very large expenditure if they had been in possession of the full facts of the case. I have seen a confidential report on this scheme—a report which I cannot, of course, quote, but I think it does disclose a *prima facie* case for a full and impartial inquiry into the whole matter. My hon. friend also said that if he was in the same position to-day he would repeat this expenditure. Well, that is a very extraordinary confession, because the hon. gentleman knows as well as I do that when he did sanction this expenditure, or when he agreed to this expenditure, he was doing so against the advice of the experts of the Agricultural Department (I am referring now to the soil chemists), and if my hon. friend is going to conduct his other great expenditure schemes also disregarding the advice of his agricultural advisers, then I am afraid the country is in for a parlous period of expenditure.

When I take this line—and get up do—with my hon. friend, he often says I am a destructive critic. If it is destructive criticism to be a lover of this country, and one who wants to see that schemes are carried out with prudence and with wise spending, then I confess I am a destructive critic, but I would remind my hon. friend, and I am going to be a little outspoken about this, I am getting a little bit tired of always being told by my hon. friend, even when I put in constructive schemes, that I am a destructive critic, because when my hon. friend was enjoying the flesh pots of Entebbe and Nairobi I was for twenty years in the main touring outlying parts of this country and of Tanganyika and trying to promote the welfare of these countries by the building of dams, the making of wells, the making of irrigation furrows, the planting of trees and the planting of different crops. Very often, I may say, as far as the crops were concerned, at my own expense, because I could not get money from the Government of that time, so I do feel rather strongly about the fact that the hon. gentleman, whenever I mention this matter, takes that line. I am prepared, and always have been, to co-operate with the hon. gentleman and to give whatever help I can, but there must be co-operation on his part, too.

(With regard to Taveta, I am afraid that the hon. gentleman is also about to repeat this failure in Makueni. It is true that Makueni is mentioned mainly in the Development Report, but the two reports are so intermingled that I must make some comments on Makueni: I was a member of the African Settlement Board for a year and not only I, but several other members, came to the conclusion that to pursue this Makueni scheme to its utmost, as has been proposed, was a waste of public money, and that it would cost something between £200 and £300 to settle one family in that area, and even then it was very doubtful whether it would be a success. So I conceived it my duty to warn the Standing Finance Committee that, so far as I saw it, we were repeating another as I saw it, we were repeating another as I saw it, and I Taveta in pursuing this scheme, and I should like to reiterate that warning here and now. If the Makueni scheme is to go ahead, even with limited expenditure, it must be tied up with other schemes;



[Mr. Cooke] there must be co-ordination. I have already suggested to my hon. friend a scheme by which Makindu as the centre might be made into a great native town, especially for the Ukamba, and from there you could have these other schemes radiating. There is no reason why we should not have small secondary industries established there, like leather and boot making.

Regarding primary products, I do not oppose, at the moment at any rate, the liberal prices being paid to farmers, but I do think it very unfair that the consumer, especially the low paid consumer, should bear the brunt of those high prices. I therefore suggest, as I have suggested for many years past, the Government pay a direct subsidy to farmers to enable the consumer to get essential foods at lower prices. That, as all hon. members know, is a scheme comparable to the one in England, where something like 300 million pounds a year is spent, and it is also the policy of South Africa.

I would refer only very briefly to the Mombasa strike, and say this because, like the hon. member Archdeacon Beecher, I am going to have a great deal more to say about it in the near future, that this question of high prices played a large part in the dissatisfaction certainly of the port labour.

I should like to endorse everything said by the hon. member Archdeacon Beecher in regard to teacher training. The mere fact that the people of Embu turned out in such numbers and did such magnificent work, because it shows that this is a very significant thing in this country place education in the forefront of their civilization, and it cannot be denied that they are right. Even South Africa, with the preconceived ideas that some people have that it is not looking after its African people, even they are aiming at primary education for every African in the country, and it is absolutely essential if we are to get home the lessons of soil erosion and others, that the African should be literate enough to understand those lessons which are being taught.

Now, sir, with regard to taxation. I am not going to weary this Council with reiterating what has already been said. I merely say that I entirely agree with the point of view expressed by the hon.

Financial Secretary and by the hon. member Archdeacon Beecher. People have got to realize that they cannot have these important projects for development put through without taxing themselves. It is idle to say that you accept this Development Report and you reject increased expenditure on the budget, for they are absolutely tied together, and it is quite illogical for anyone to say he accepts the Development Report and at the same time rejects the consequences of that report.

I do not often pay compliments to gentlemen on the other side of the Council. I have been a member for only one year of the Standing Finance Committee, but I would pay tribute to the incredible patience of the hon. Chief Secretary and the hon. Financial Secretary during the meetings of the committee on the Draft Estimates. There must have been periods when they would have liked to have murdered some of us! But I can say this, that not even by the flicker of an eyelid did I see them betray the slightest sign of impatience in the 100 hours that we sat, and that is not a bad record. Their capacity for monotonous work is prodigious. Genius has been described by somebody as 10 per cent inspiration and 90 per cent perspiration! If that is a true definition, these two gentlemen might rightly claim to possess that very important quality! (Hear, hear.)

I should like to support the motion.

MAJOR KEYSER: Your Excellency, I rise to oppose the motion mainly on the ground of the paragraphs regarding income tax. There is one point we must not forget, and I think we are apt at this stage of affairs to forget it, that the rates of income tax of a few weeks ago do not apply to-day—the rates have got to be reintroduced into this Council and agreed to by this Council. We keep on talking about relief from taxation, but is it relief? It is a request that rates imposed for a very special purpose, of carrying us through the war, should not be reimposed, and this constant reference to relief I think is rather apt to mislead us. I have in the past always been a supporter of income tax, because I thought it was a fair means of taxing the community. I am rapidly changing my view, because I find that the control of income tax, the control of taxation,

[Major Keyser] is getting completely out of hand. The income tax horse has bolted now, and it seems to me that it is time somebody applied the curb. When income tax was applied to this country fears were expressed that it was going to fall on one particular community. I know it has been said before, but it should be repeated, for, in fact, it has fallen on one particular community. All the warnings given by those who opposed income tax appear to have come true, and those who supported income tax at that time have now lost faith in this means of raising revenue. I thought that this would be an excellent opportunity on the part of the Government to say that they were not going to let this income tax horse bolt, but were going to hold it in and show they had it in control.

It is an extremely easy way of raising taxation and increasing it, and we were told that one of the great advantages was the ease with which it could be increased or decreased to suit the economic conditions of the state. Well, sir, we have had ample demonstration of the ease with which it can be increased, and I think it is time we had a demonstration of the ease with which it could be decreased. In paragraph 356 of this report is given one reason for no reduction: "On the subject of income tax, strong representations were made to the committee for a reduction in the basic rate of tax, primarily with a view to relieving the burden of taxation on the lower income groups". I should like to say that, while I sympathize with the lower income groups, I for one am of the opinion that there should be a general reduction on the 1946 rates, the basic rates of income tax. The figure we suggested was a reduction of Sh. 1 in the £, and I still support that suggestion to reduce the basic rate of income tax. This paragraph goes on to say: "It was pointed out to the committee that the effect of acceptance of this proposal would not give relief to those who, *prima facie*, were in most need of it, that, for example, it would give a bachelor or spinster on, say, £700 a year, considerably more relief than it would accord to a family man on the same salary". A reduction in the basic rate of income tax would, of course, give the married man relief, but because a bachelor is going

to get more relief than a married man therefore you must deny the married man any relief. That seems to be the argument, and I submit that it is really utter nonsense to put an argument of that sort up. If it is necessary to tax the bachelor more than the married man, then there should be a special tax on bachelors. But again, I submit that in these days of over population that would be utter nonsense. (Laughter.)

Referring to this question of famine relief, I am a little bit disturbed by the fact that for the last few years there have been complaints and accusations and rumours that this famine relief has not been administered as it should be, and now, at this eleventh hour almost, the Standing Finance Committee admit that they also are a little perturbed about it. Well, sir, what has the Administration been doing? The Administration after all have been carrying out this famine relief. Have they ever suspected something wrong with it? Again, I am surprised to find there are able bodied men—there is an admission here—who are receiving this famine relief, and when accusations are made denials and when accusations are made denials are made, and it is said that it would be hard on the starving women and children if this famine relief were reduced. This paragraph substantiates the accusations that were made.

In talking about this famine relief, the hon. member Archdeacon Beecher mentioned the matter of 4,000 ex-soldiers who wanted work, and I think he said that only 42 had got work. He went on to say that the work offered to the rest of them was sisal cutting at Sh. 18 a month, and he gave reasons why that work was unacceptable. We have all had a considerable number of ex-soldiers coming back and applying to us for work, and my experience has been—and I venture to suggest it is the same concerning sisal work—that why these men refused sisal work is not that they found Sh. 18 was insufficient, but that they did not want to do sisal work. In fact, they do not want to do any sort of manual work or work that involves any real physical effort. That, I think, is a very serious state of affairs, to find in our returned soldiers. Whether it can be got round, but all the ones that have applied to me for work do not quibble about the wage offered

[Major Keyser.]

it was the type of work they were asked to do. They definitely said they did not want to work with their hands—they were prepared to be watchmen, tractor or lorry drivers, provided it did not involve working with their hands. I may be unfortunate, but I have heard from a considerable number of employers that that has been their experience as well.

On page 24 there is a reference to native poll tax, a matter I brought up in my budget speech. I still cannot see why, despite the explanation made both in this report and by the hon. Financial Secretary, I still cannot see why the estimate for 1947 should be the same as for 1946—it is true there is an addition of about £10,000—when there are 70,000 more persons liable to pay this tax. The hon. Financial Secretary in his budget speech, in answering that point, said there had been a very great increase in exemptions from taxation, and I think he mentioned the Nyanza Province as being responsible for a very great amount. I cannot think the remissions during this one particular year should amount to somewhere in the region of £40,000 and, in any case, I do think the Provincial Commissioner of Nyanza Province should explain why his province should account for some 15 per cent increase. I think that was the amount mentioned, of remissions of taxation in his province in this particular year—

MR. TROUGHTON: On a point of personal explanation—I am sorry, Your Excellency! (Laughter.)

MAJOR KEYSER: I cannot see that any explanation has been given either in the report or by the hon. Financial Secretary that satisfies me that the amount estimated for it is a correct one. I cannot help thinking it is another amount of hidden revenue that will appear, possibly at the end of the year, unless, of course, there is wholesale evasion.

The hon. member Archdeacon Beecher, talking about taxation, mentioned the question of clothes imported from abroad, and instanced an article that cost Sh. 100. I entirely agree with him that the cost of these imported articles is iniquitous, and I only want to add two points which he possibly missed. One is that on all these articles imported in the last few years there has

been a very great margin of profit, for there has been an immediate and ready sale, so that the profit of 20 per cent allowed to the importer has been realized at once. The other point which he forgot to mention was that when the article came through the customs the 20 per cent, or whatever it was, customs duty, was paid plus the surcharge, and almost immediately that article was bought and the importer received his 20 per cent profit—the amount he paid one day to the customs he received the next day from the man waiting to buy his goods. 20 per cent for one day, not per annum. So the greater the customs duty and surcharge on these goods the greater the profit that was made by the importer.

There is only one other point I wish to refer to, and that is on page 31, paragraph 328: "The committee recommended that, in connexion with the 1948 Estimates, consideration should be given to the abolition of the division between native and non-native services." I am entirely opposed to that, for a reason which I think must be obvious. That is, when we say that the European community is paying a greater amount in taxation we are told we are also receiving a greater benefit from it, which we have never agreed to. The hon. member for Western Area, by some system of accountability which I did not quite understand, and it is rather beyond me, tried to prove during his budget speech that the European community received practically the whole of the services paid for by the country, or a very great amount of them. Whether he used that same system when he was helping to compile this report or not, I do not know (laughter), but in view of the remarks that have been made in and out of this Council, I think myself it would be a very great mistake if the suggestion in paragraph 328 was carried out. I myself would like to see the two sets of figures kept entirely separate, so that when accusations are made they can be refuted without delving very deeply into the hon. Financial Secretary's accounts.

That, sir, is all I have to say. I regret that I shall have to oppose the motion before Council.

#### ADJOURNMENT

Council adjourned till 9.30 a.m. on Wednesday, 29th January, 1947.

Wednesday, 29th January, 1947

Council assembled in the Memorial Hall, Nairobi, at 9.30 a.m. on Wednesday, 29th January, 1947. His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### ADMINISTRATION OF OATH

The Oath of Allegiance was administered to Mr. A. R. Cocker, Central Area.

#### MINUTES

The minutes of the meeting of 28th January, 1947, were confirmed.

#### PENSION

MR. A. N. PHAKEY

MR. TROUGHTON: Your Excellency, I beg to move: This Council approves the payment until further notice of a provisional-interim pension at the rate of £59-11-8d a year, with effect from 28th August, 1946, inclusive, to Mr. Amar Nath Phakey, formerly clerk grade II (K.A.C.S.), Posts and Telegraphs Department, in respect of his service from 7th October, 1929, to 27th August, 1946, both days inclusive, in lieu of his own and Government's contributions to the Provident Fund, plus the interest thereon amounting in all to £283-2-8d, which reverts to the general revenue of the Colony.

This motion is in common form. The officer in question has been invalided from the Service.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### KENYA DRAFT ESTIMATES, 1947 STANDING FINANCE COMMITTEE REPORT

The debate was resumed.

MR. EDYE: Your Excellency, a good deal has already been said by hon. members on this side of Council in relation to the motion before us, and I therefore intend to be exceedingly brief and to avoid, if possible, going over ground which has already been well cultivated. Nevertheless, there are certain aspects of the Standing Finance Committee report which cannot avoid repetition, since they are fundamental to the whole issue.

My hon. friend the Financial Secretary when he produced the budget was accused—and rightly accused—of having

underestimated the revenue. How grossly he had underestimated has now been revealed—some £340,000. This underestimating was not, however, confined to revenue; since the Standing Finance Committee found it necessary to spend a large proportion of that sum in meeting the demands of heads of departments who said that, without such money, they would be unable to function properly. No doubt the special pleading which they were able to put forward was very hard to refute. I am sure this must be so, otherwise the Standing Finance Committee would hardly have agreed to it after closer examination. That, sir, is not the point. If this increased expenditure was necessary, why was it not discovered before this Council spent many weary days debating the budget, a budget which apparently did not reflect the true expenditure position by some quarter of a million pounds?

I do not intend to weary Council with innumerable examples, but I must refer you to page 47, Head 21, Section 4, Miscellaneous, an addition of no less than £10,000 for arrears of maintenance of Government buildings. It may well be that such money will not spend now, but it will result in increased loss to the Colony by the deterioration of its assets, but if so, it cannot possibly be claimed that this startling discovery has been made since the budget debate. If you take the P.W.D. requirements, pages 46 and 47, the total increase there disclosed is no less than £42,000, or some 14 per cent increase over the original estimate. As I have said, I do not propose to waste the time of Council by quoting additional examples to further illustrate my point which, by now, must be obvious: that either heads of departments cannot add up correctly, their genuine requirements were curtailed in order to keep an already swollen budget within the bounds which Government hoped the country would accept, and it was proposed to meet those requirements out of a revenue which was known to be underestimated—a course which, even if not deliberately calculated, will unfortunately undermine the confidence of the country in Government.

Now, what is the position? In the budget debate the ten European elected members made abundantly clear their minimum demands in regard to taxation

[Mr. Edye] relief, and in the course of their individual speeches they drew attention to their alarm at the tendency for expenditure to rise beyond the foreseeable possibility of the country to pay. Because, however, of the pressing demands of the Development and Reconstruction Authority report, and the lack of vital statistics, these members did not press their objections nor voice demands other than the very reasonable ones they made. In what respect has Government attempted to meet these demands? They can claim that they have appointed a committee to inquire into a variety of fiscal and economic matters and the incidence of taxation. All I can say, however, in regard to that committee is that I am amazed that it was necessary for the elected members to press for it at all. I should have thought that any self-respecting Government would have been the first to appoint it themselves after reading the opening paragraphs of Sir Wilfrid Woods' Report.

Our next request was for £100,000 to be devoted to a reduction in indirect taxation with a view to trying to reduce the cost of certain articles of food and the cost of living index. I understand that that sum of £100,000 is nothing like adequate to meet that requirement, and that a much larger sum will be required if effective action is to be taken in this matter. In view of the close examination which members of the Standing Finance Committee have given to this matter I cannot dispute that conclusion. I observe from paragraph 350 that it is proposed to appoint the Economic and Commercial Adviser to examine and report on this question to the committee referred to in paragraph 355. I would, however, forcibly draw attention to the fact that, unlike direct taxation, no retrospective relief can be given to the unfortunate public whose money is extracted during this period of examination. Speed, therefore, is the essence of the relief, and Government's sincerity will be judged by the rapidity with which they tackle this problem, and more important still, by the rapidity with which they implement any recommendations.

Now I come to the last demand, Sh. 1 off the income tax, a demand based on the widely held view that the European community is paying by far the greater

portion of this revenue; based on the large sum which is known to be awaiting Government's collection in unassessed and uncollected income tax, but which does not belong to the evasion class and, last but not least, to the justified suspicion that the revenue has been underestimated. What reaction does this provoke from Government? Nothing but an almost indecent haste to spend this increased revenue in every way possible other than to provide the relief asked for. As for the very large sum to which I have just referred in uncollected tax, that is completely ignored. The hon. member for Trans Nzoia yesterday dealt very effectively with the red herring of anomalies of bachelors, and I do not propose to enlarge on it now. All that Government has done to provide relief in direct taxation to the community who pays most of it is a very sour lemon, a lemon which, unless I am much mistaken, the European community of this country is no longer intending to suck!

Before sitting down I would refer to the hon. mover's remarks yesterday in regard to the Sotik transport subsidy. I welcome his statement that a report has been prepared by the Economic and Commercial Adviser and that it will be dealt with shortly. I would seek his assurance that before action is taken on that report he will allow those concerned to see it, and to offer their suggestions and comments.

I am, sure the hon. Member for Agriculture will support me when I clear up what is possibly a slight misunderstanding, and that is that this subsidy was asked for in that form. The original request was that Government should fulfil its state obligations in the provision of a proper transport service for all races in any area so far from railroad as is Sotik. Government was unable to do so at the time, owing to lack of vehicles and personnel. In regard to the hon. mover's remarks regarding the price of land sales in Sotik, I can only say that so far as I am aware, his fears are completely unfounded. In fact I am tempted to believe that, once again, he is talking with his tongue in his cheek, so that he may be able to buy land cheaply on which to retire at the conclusion of his debate!

Finally, I can only say that, unless Government's attitude to direct taxation

[Mr. Edye] during this debate undergoes a radical change from that indicated by the hon. mover, I shall have no alternative but to oppose the motion.

Mr. PRITAM: Your Excellency, originally I had no intention of speaking on this motion, because I had already expressed myself sufficiently in my minority note, but certain remarks made by the hon. member Archdeacon Beecher require some explanation from me. I had no mind to sign the report, but when it was disclosed to me that I was wrong, I saw the hon. Chief Secretary and he convinced me that, since I had participated in the discussions, naturally I was required to sign the report, but, in view of the fact that I had spoken against D.A.R.A. and that I had brought up certain other matters which, although brought to the notice of the committee, did not receive sufficient attention, naturally I was very reluctant but very kindly the Chief Secretary agreed that he would accept my minority note, provided I signed the report. So that is the long and the short of it about the remarks of the hon. member Archdeacon Beecher. If I had suggested anything, naturally it would have received the attention of the Committee.

I will cite one particular instance. I have inquired every now and then about hostel facilities for Indian boys, and I have always been told that there is no money available. I drew the attention of the Committee to this matter, and the reply was more or less the same, that no money was available, at a time when money was being found for other races for hostel accommodation, and I fail to understand why we are not given this facility, which naturally is responsible for many boys leaving their education at a very early stage because at Mombasa and Nairobi, where the high schools are situated, the housing shortage is very acute and no boys can be accepted, even in private homes.

Another case I wish to bring to Council's attention is that there is a certain sub-draughtsman working in the Public Works Department whose case was very strongly recommended by the Director of Public Works. His name is Mr. Sherrani. He reached his maximum in 1941, and since then he should have received some increments. The reply

given is that a Salaries Commission is being appointed and that therefore no increment can be given. The same applies to four clerks in the Customs Department, whose case was very strongly recommended by the hon. Commissioner of Customs and also by Mr. Lord. This is what happens in the case of Asians, but in the case of Europeans increments are invariably given, because it is considered that they would otherwise suffer frustration and possibly not work as well as they should. Asians, apparently, do not suffer from it!

As regards the remark made by the hon. Member for Trans Nzoia, I can assure him that the figures I produced were based on Government documents, and if he cares to ask me any further questions about those figures I will readily answer them and supply him with all the figures. The reason why those figures were produced in this Council was to show that, although the European elected members claim that the European community pays too much in taxation compared with other communities, they get more services than other communities. So far as the Indians are concerned, I should like these gentlemen to tell us, apart from education, what other social services we get which are peculiar to the Indians only. We do not want a separate police station on every farm; we do not want any separate labour department, and so on and so forth, so I would ask them to bear in mind that we do not get a return for even what little we do pay.

During my budget speech I made certain points to which Government has not offered any reply as yet. What is the position of the Asians in the economic structure of this country? They are slowly but surely being eliminated from industrial progress, from services (laughter)—but laughter will not alter the facts. What is the position to-day? There are more Europeans in the Service than the Asians. Positions in the higher ranks of the service go to the Europeans and the lower posts in the service go to the African. I want to know what is our proper place in the economic structure of this country. When I say trade I mean trade in the eliminated, and it is only steadily being eliminated, and it is only right that the African should be taking our place. The African is also suffering from want of land. Why does Government not give any attention to that?

[Mr. Pritam]

Land is reserved for the European, irrespective of whether it is in beneficial occupation or not. There is no place for Indians in trade. In the reserves, the position of the Indian is made so uncomfortable that they have to quit earlier than is necessary. Before long their case will have to be brought to the notice of Government.

Trade licences. The hon. member Dr. Rana made the point yesterday, and it is absolutely true. I do not know who is responsible for the immigration restrictions, but we have very few tailors here compared with our requirements. It does not matter from what country they come. If they cannot be allowed from India, they should come from the Seychelles or elsewhere. Another thing is that the tailors must necessarily accept employment because they cannot open their own business, for the simple reason that they cannot get trade licences. These restrictions did serve a useful purpose at one time, but they have outlived their usefulness now, and they should be removed. These restrictions, so far as licences are concerned, have already been withdrawn in Tanganyika and Uganda, but Kenya has not. We will probably be told that a committee is sitting and that before long it will report. The same thing happened 12 months ago.

There is another thing I want to draw particular attention to, and that is the shortage of skilled labour. At one time we were told that the Army had quite a large number of trained African skilled workers. I do not know where they are. What is the position to-day? Whether one likes it or not one has to pay Sh. 25 a day to skilled artisans. That means Sh. 750 if he works 30 days. Having to pay so much for artisans reacts on everything else, on rents and so on. It is this Government knew the position. What is the position of those contractors who have tendered at a particular price, relying on skilled labour being available at Sh. 10 or Sh. 15 at the most, who now have to pay Sh. 25? In fact, one Government contractor working at Gilgil started paying Sh. 2 per hour, and other contractors have to toe the line. Even at Sh. 25 they are very hard to get. Who is responsible? Somebody should have known that the time would come when the Italians would have to go. If we cannot get Indians we should get Chinese

or Malaysians or whoever is available, but we must have labour. So far as the Africans are concerned, until there is some form of economic pressure brought to bear on them, they will not be very successful.

Now I have a painful thing to say. There are numbers of receivers of jewellery in this town, and the time has come when Government should take notice of this matter. The African has no interest in snatching bangles and necklaces from women unless there is someone receiving them. The time has come when this matter should not be dealt with in any light manner. Anyone convicted for receiving stolen jewellery should be deported from the country (hear, hear), and that is the only way in which we can get rid of this anti-social element.

With these words I support the motion.

Mrs. WATKINS: Your Excellency, I am afraid I shall not be able to support the report of the Standing Finance Committee unless, perhaps, during the debate the minimum requests that have been made there can be acceded to.

The whole of this budget seems to me as a layman and as a small farmer such very odd procedure. Six weeks ago we had the budget laid, as the hon. Member for Nyanza has just said, and within a very short time we were very honestly told that the revenue had been decidedly underestimated. Now, six weeks later, we are presented with the fact that not only the revenue but also the expenditure has been almost equally underestimated. Certain things, we are told, are quite essential for this country's welfare, but if they are essential now, were they not equally essential six weeks ago? If the hon. Financial Secretary did not know they were essential, then should he be Financial Secretary? That is a question one is asking oneself. I have the greatest respect for his capacity, and I do not for one moment believe he did not know that these essential services had been left out of the budget. He knew it, of course, perfectly well, and he also knew that the Standing Finance Committee would have to redress the situation.

I think, from what he said, that he put a limit on the different departments and, having put that limit, they had to stay

[Mrs. Watkins]

and having put that arbitrary figure in, and knowing as he must have known at the time, that the Standing Finance Committee would have to redress that situation, surely it would have been better to have put those items in or intimated that certain essential services had been left out. One is more in sympathy, as a farmer particularly, perhaps with the difficulty of assessing revenue, than one is with the difficulty of recognizing an essential service when it is put before one. I think the omission is made rather deliberately, so that, when we ask for a reduction in taxation, the remark may be reiterated: "Yes, they asked for a reduction in taxation, and immediately they come forward pressing for things that have got to be added to expenditure." He is playing with us, Your Excellency, and, like another matron once said, "We are not amused." (Laughter.)

Members of the Standing Finance Committee were in a very difficult position. I almost think he has stolen a leaf out of the Wispers Farm accounting system, which always balances. It is a G.O.K. column on either side—G.O.K. means "God only knows"—and when you are not certain what one you are spending you put it under one G.O.K. column, and if you forget the source of a certain item of income you put it under the other G.O.K. column. (Laughter.) It is, I think, a more honest facing of facts than our budgetary system at the present moment. Unfortunately my chartered accountant, and I, say this for the reassurance of the Commissioner of Inland Revenue, will put all G.O.K. down as personal expenses, which is rather sad! (Laughter.)

I should like to go into one or two items in this report—not very many. One I am sorry to have to tackle is item No. 7 of Head 5, an extra £100 for the Provincial Commissioner, Coast Province. In this time of financial stress the world over and development plans and all the rest of it, I think it is a great mistake to have to keep up the entertaining to anything like the old standard. (Hear, hear.) (His Excellency: Hear, hear!) (Laughter.) Your Excellency agrees with me, and would welcome a decrease in the standard of entertainment all round. Curiously enough, I believe I

am the only person in this Council who has been actually in charge of the household of the Provincial Commissioner's house in connexion with hospitality in the Coast Province. We had no allowance for our successor, and we were given £100, which has been since doubled. I do not think it should be trebled because I think the standard should come down, and I want to say why. In my experience, it means that everybody's standard has got to go up too; it means that even the junior officers have got to offer more or less the same number of drinks to more or less the same number of people, and I think it is entirely wrong. I do not like this amount of entertaining in these times. I have been through it myself, and I know the Coast Province was the only one which has ever had an allowance. Still, I do not believe that it is right to continue raising it in this way. The country cannot afford it, and the country should not afford it.

Famine relief. Naturally I welcome the remarks that able-bodied men will not get famine relief, but what about the able-bodied men's wives and children? Surely it is the custom in our civilization that the man should keep his wife and children, and if he is going to send his wife and children in for famine relief and then share it with them when they bring it back, I do not see that we have got very far with this able-bodied man business. For 27 years my husband provided my food for me—and I fed, in a farming expression—and I fed, in a farming normal procedure and think it is quite normal procedure for one I should suppose, also for the one Ukamba reserve. I think that the men ought to be made to work for their dependants' relief.

Educational buildings. I could not believe yesterday's statement more than I do. I think it was particularly applicable to the teacher training of African women, because Miss Janisch got that grand scheme out, but I believe that grand scheme is also a difficulty. Shortage of buildings is also a difficulty. I am quite certain the different districts would come forward and do a tremendous lot. I welcome it very much. Linked to that of course is the Public Works Department. I hope that the Public Works Department, or the Government, will encourage the building of officials of their own houses. We can build them individually so much cheaper

[Mrs. Watkins] than the Public Works Department, when all the expenditure on supervision and so on has to be added. I believe it is a very much cheaper system.

Information Office. I very much welcome what the hon. member Archdeacon Beecher had to say yesterday. I am very disappointed that he did not press for a thing, that I consider absolutely essential, and that is for an independent printing press for the African, because I still believe that the liaison Africans can reach a few hundreds, even thousands of Africans, or even more, but the Press reaches the tens of thousands and hundreds of thousands. I do not believe that any press under the control of another section of the community, with different ideas and different political aspirations, can be said to enjoy the freedom of the press. I am not talking about licence, I am talking about liberty. I think the African will learn which is false liberty or licence and which is true liberty quicker if he has an independent press and can print what he thinks, without any political pressure or commercial pressure—advertising and so on—from any other section of the community. I hope very much that the hon. member will press for that.

Roads. I welcome very much the fact that we are going to have a Road Authority, and I can say that, so far as my constituency is concerned—and it is concerned with some of the main roads of approach to Nairobi, the capital—we should be prepared for extra taxes on heavy lorries and also possibly on petrol, if it is all going to be spent on roads. I want to suggest one thing, saving and money saving measure, and it is this. We have had for some time now river warden's—voluntary, unpaid. I believe that on every stretch of road you could have road wardens, voluntary and unpaid, who would one day in every so often watch these roads for speeding lorries, take their numbers, and arrange road traps every so often, so as to stop this tremendous speeding. I am told that governors on lorries are quite useless. (Laughter.) I do not know if that is so. Other people are better able to judge that than I am, but I do believe that voluntary road wardens would be able to save Government and the roads a lot of money. The district councils could

appoint reliable people, and prosecutions could no doubt be brought against those who were speeding. If the fines were made very heavy and if the fines went towards road upkeep, again you might get quite a considerable sum of money for our roads until the African drivers and some of our own younger drivers learn sense.

Police expenditure. While, of course, I welcome it, it should have been included in the previous budget, or the pre-budget, or the first budget (I do not know quite what to call it), but I do very strongly object to the intimation that it is going to form a spiral and that the Prisons are now going to ask for it and probably the Forest Department. I think it has been recognized by this Council and by various committees sitting on police terms of service that the police service is a particularly arduous one, that they are on duty at all hours of the day and night and that it has considerable risks attached to it and great responsibility, and the fact that they have to do the special terms should not mean the beginning of a spiral for other officers at present on the same rates. I think the police should be treated as far as possible as a separate body with some reward and remuneration beyond what a safe job with regular hours would bring in.

Crime. I am very grateful indeed to the last speaker (Mr. Pritam) for urging himself something I have been saying upon the hon. Attorney General for some time now, and that is the deportation of proved receivers. I believe that something has got to be done on those lines. Receiving in our neighbourhood particularly is absolutely appalling. It is training young African after young African. It is pathetic to see it happening. It is polluting the whole stream of African life as it comes out of the reserves into our more civilized areas. That pollution can only be stopped if the hon. Attorney General will deal with receivers in a way that will stop receiving. I had only asked that a man who has been proved a receiver twice should be deported, and even that has not been granted. Something has got to be done because the situation is really extraordinarily bad. It was said some time ago that, after all, there was such a shortage of supply that the African had to steal, but this is not the reason. I

[Mrs. Watkins] wonder, for instance, whether the African really did want 2,000 false teeth which were stolen from one of the dentists here, or whether they really wanted 189 pairs of spectacles which were stolen from another firm. Of course it is the receivers who are responsible; it must be receivers.

We have heard something about the cost of living. I want to bring to the notice of this Council one of the main points in the rise of the cost of living for tailors, mechanics, artisans, etc., and that is the black market in housing in Nairobi. I know of quite a considerable number of mechanics and artisans who are paying Sh. 70 and Sh. 80 for one room in Nairobi, with a bonus, for which no receipt is given, of 250 per room; £100 for two rooms, plus Sh. 150 a month rent, or they do not get the room. If they report the case there is a "ring" among, if I may call them that, the slum owners, and the victims do not get housing anywhere. I think there should be protection for men who report these cases. They should not be allowed to be victimized. I do not know how Government can do it, but as long as mechanics earning Sh. 400 a month have to pay Sh. 140 for two rooms, or live in one room with two or three children and a wife, it is responsible for the rise in the pay of tailors and mechanics as much as anything, but Government seems completely blind to it. I think I can prove my case. I can bring figures to prove it, but I have been asked not to give their names, but in certain circumstances and in confidence I will.

Now taxation. Our three members on the Standing Finance Committee have stated the minimum reduction that we think we can possibly accept at the present moment and, rather idealistically I think, they have changed their call for Sh. 1 off the income tax to a reduction in the assessments of the lower income tax groups. I do not think that is quite so essential as calling a halt to this "bolting horse", as it was called yesterday, of income tax, but it is also necessary for psychological reasons, because all these hard-up people—and some of my constituents are extremely hard up—are paying quite heavy taxes, with large families, and I think that psychologically a reduction is necessary. So necessary do

I, and I believe others on this side of Council, believe it to be, that we must vote against this motion unless the Government can see its way to meet us at least that much. For the rest I am content to leave it to the committee, that has been appointed to go into this matter. I think that committee is absolutely essential.

I should like to say right here and now that I have taken the advice of the Electors Union on this, because they have studied the budget. (Laughter.) The committee of the Electors Union comprised, of course, a number of ignorant people—two chartered accountants, one lawyer, one business man, and one farmer, and various young men, and this body of men was deferred in public here because they had not referred back to the hon. Financial Secretary for his further advice while they presumed to study his figures. If it is not possible in several hundred pages of close print to put the figures of the budget of this country before a body of men of that calibre, with wide experience of this country, then I suggest the sooner our financial pundit presents the figures in a way that can be comprehended the better it would be. I am viewing these figures from the point of view of the man in the street, and the small farmer, of whom I am one, and I think perhaps of good faith, may have thought that these men were rather out of touch with the intricacies of modern finance. Burma, of course, put some of our younger men rather out of touch, but that is nothing to be ashamed of, and when they came back and went into the Electors Union and tried to do whatever they could, voluntarily and indistinctly for the country, I think that perhaps their effort should have been derided and should be encouraged. I hope they have found some encouragement in the fact that at least one member of this Council can publicly say that the refers to them for their advice and is grateful for it. I am rather surprised . . .

SIR GILBERT RENNE: I do not want to interrupt the hon. member, but is he in order under Standing Rule and Order 45(v)?

MRS. WATKINS: An attack has been made and the attack should be answered. I am rather surprised, Your Excellency . . .

**HIS EXCELLENCY:** If the hon. member will sit down—I have consulted my adviser in the matter and I think it is a borderline case, if I may say so. The hon. member was very nearly out of bounds (laughter), and if she can confine her remarks a little more closely to the motion before the Council it would be better.

**MRS. WATKINS:** I was merely trying to explain to Council why I took the advice of a body that had been publicly derided by a member of this honourable Council who has taken advantage of a privileged occasion that speakers do take in this Council to attack men who could not answer back. I am therefore proud to say that they are my friends.

I think as far as taxation is concerned we must stand or fall by this minimum demand that we have made. We should be letting the country down very badly if we did not obtain some remission of taxation for at least the lower income tax group. All during these war years they have been going without so much, and I am particularly thinking of my own contemporaries who are still working, some of them much older than myself, and we must get some kind of assessment reduction for them. I should like to support our Chairman's suggestion that this should be as he proposed, which takes it out of various other complicated reductions in income tax which have repercussions. I want to support it fully. For that reason I have to go against the report unless these requests of ours can be granted.

**MR. WRIGHT:** Your Excellency, in rising to oppose this motion, I would first pay tribute to the very skilful and frank manner of its presentation by the hon. Financial Secretary, but I would also commiserate with him in the utter weakness of the case he has had to submit. This, to me, is a wicked budget, reckless in expenditure and bankrupt of ideas. Recently, shortly after the very wearisome debate on the Draft Estimates, seeking some necessary relaxation, I found a delightful book about Tibet—this I hope you, sir, will find it in order! Therein I came across a song chanted by those high priest, Dalai Lama, is apparently with his Government as vulnerable to criticism as you, sir, and your Government. The chant goes thus:

“Our ministers in consultation”  
What have they in their minds?  
We thought that we should cut out  
the root,  
But they only peeled the branches”.

(Laughter.)

I thought that that chant was a happy augury of the results soon to emanate from the sittings of the Standing Finance Committee, for I knew well that this Government would not cut the roots of income tax. I had a degree of confidence that they would do some ruthless pruning or peeling of at least the branches to bring it into a proper shape. Judge, therefore, of the despondency I suffered when I read the report, and saw that the Standing Finance Committee with an unofficial majority gives us an additional expenditure to face of £283,000 and, on the other side, no relief from taxation whatever. That already throughout the country is deemed to be a terrific defeat for the elected members, and it has been happily described by a well known gentleman in Kenya, especially well known in public life, who characterized the position thus: “The elected members have been beaten by an innings and 283,000 runs. (Laughter.) I accept that picturesque description as being a fair comment of our position here to-day, and even if some of us resent the defeat and are very touchy about it, we have to acknowledge that defeat in this budget test match.

It is not so very long since we, ably led in debate by the hon. Member for Nairobi South, prevailed on Government to withdraw the Woods Report as having no practical application to the fiscal problems of the day. One imagines how heartily Sir Wilfrid Woods will laugh when he reads this report before us to-day—(A MEMBER: Sir Wilfrid is dead.) I am sorry; with all respect I was unaware of his death.

Passing on, sir, it is fair to state that the three members who represent us on the Standing Finance Committee, did their utmost to cause some amelioration in the lower income tax group. I should like to know what that would cost the revenue—it has been suggested some £50,000, and that, I submit, is a bagatelle in relief in a budget of this vast dimension. However praiseworthy, the conception—and we must commend these three gentlemen for pressing it so

[Mr. Wright] vigorously even though Government has not yet accepted it—it would give no cause for joy or pleasure to the very many in Kenya who felt they had a case born on an assurance of a reduction in the basic rate of income tax, born on an assurance, I repeat, that the tax obtaining in war time would not be continued into times of peace. I am not going to say anything of what our expectations in the basic rate of tax should be, but we as a team generally, with one exception I think, thought that a shilling was the minimum amount. Well, we know to-day that we are getting nothing.

As was pointed out yesterday by the hon. Member for Rift Valley, the hon. Financial Secretary has felt himself constrained to give us a warning about the growing trend of expenditure costs. In submitting this motion, he gave special emphasis to what he termed “a note of warning”, and later gave us his “clear warning” regarding the programme of expenditure which, with great frankness, he characterized as ambitious in relation to the Colony's resources. I would agree with him, but what to him is merely ambitious is to me utter madness, for clearly a colony such as this, a colony in the making, cannot longer continue to support the crushing burden of expenditure envisaged in this report, nor yet the stranglehold imposed on development, by a system of income tax inequitable in its incidence and selective in its application.

I am sorry that in my few remarks I have indicated that all members on this side of Council are not entirely in accord. Even if it might appear that I am one of those responsible for creating in a sense some cleavage on this issue, I regard my duty towards the future welfare of this country generally, and to my constituents in particular, of greater importance than friendships and loyalties, however strong they may be. In conclusion, at a time when changes are imminent, both constitutional and great, a budget such as this, I submit, is not the best means of inspiring confidence in the Government or its intentions towards the future welfare of white settlement in this Colony.

I oppose the motion.

**HIS EXCELLENCY:** As it appears from the reference just now that some hon.

members of this Council have not noted the Press report of the sudden death of Sir Wilfrid Woods in Cairo, I think I had better mention the fact that he did in fact die suddenly in Cairo on his way to England recently. I know that hon. members would like me also to say that, whatever opinions they may have held about his report, we all of us held him in the very highest regard as a faithful and honourable public servant.

**MR. COCKER:** Your Excellency, I apologize for not having entered the Council at the time when the motion was being moved, but it was not my fault: it was the fault of the old man whose place I have taken because he took so long to quit, but I thank the clerk to the Legislative Council who had no sense in ushering me in. I have consulted my leader, the hon. member Mr. Patel, and he readily agreed that if I had anything to say I should be allowed to speak.

I have heard it said that about £314,000 of revenue has been underestimated and on the expenditure side about quarter of a million pounds increased expenditure has been shown. These certainly are very glaring omissions, and I am certain that very glaring explanations will be forthcoming from the hon. mover of this resolution. We have heard a lot from the European members that they pay more in taxation than any other community and that the Indians in particular have evaded the payment of taxes. (An hon. member: “Hear, hear.” “Hear, hear.” will not produce anything, but if it can produce figures to prove the correctness of the statement I would thank the gentleman who said “Hear, hear.”)

About a couple of years ago the question of Italian labour was raised, and at that time the Indian labour trade unions entered protests against the employment of Italian co-operators by the Government, etc. but they were assured that it would not be very long before the Italians left. The Italians took more than two years to leave, but apparently this long time was not sufficient for Government to make provision for relieving the departing Italians and to bring in an equal number of others, irrespective of race, to take their place, who, I agree, did a very useful job. I am justified in criticizing Government for that. They



[Mr. Cocker.] I should have foreseen the difficulties that would arise when the Italians left and should have made suitable arrangements therefor. It is not my intention to touch on the immigration question at the moment, but as this is so closely related to that, I am afraid I have got to say a few words about it. For God's sake get the artisans from somewhere. If you can get them from Europe, I presume there will be no opposition to it, but as far as my knowledge goes India, and India alone, is the country which can send out trained artisans in abundance throughout the world.

I am told that this is the only motion under which a member is entitled to touch on many other subjects, and I take the liberty of referring to crime, robbery and violence which has recently, if my information is correct, increased in Nairobi.

MR. COCKER: On a point of order, I am loath to interrupt the hon. member's maiden speech, but is he in order in discussing general matters in a Standing Finance Committee Report debate?

HIS EXCELLENCY: Frankly I think that, like another hon. member this morning, he is on the touch line. But I think perhaps I should say this from the chair, that it is the practice in this Council in a budget debate to allow a very wide latitude, but that debate has already taken place. We are now debating a specific motion for the adoption or rejection of this report, and I must ask hon. members to keep to it, or we shall never get through the business.

MR. COCKER: I thank Your Excellency. I assure you that I will try my level best to be as brief as possible.

I have recently had the honour to preside over a mass meeting of about 10,000 Indians in Nairobi and, judging by the atmosphere that prevailed there, it looked as if the entire Indian community had got the wind up and they were told that, if adequate measures were not taken by the police, the life and property of unarmed people, not only in this town but throughout the country, was in danger. I had a couple of interviews with the Superintendent of Police in Nairobi—

HIS EXCELLENCY: I am afraid the hon. member is out of order on this subject. Please keep to matters covered by the report.

MR. COCKER: This brings me to a proposal which, I understand, has been put up to Government for the creation of an Asian Auxiliary Police Force.

HIS EXCELLENCY: Under which section of the report is that proposed?

MR. COCKER: Can I ask if I can touch on the Information Office?

HIS EXCELLENCY: The Information Office has a section to itself in this report. I do not want to embarrass the hon. member in his maiden speech, I am most anxious to help him, but I must again stress that what we are debating is the contents of this document (Standing Finance Committee Report).

MR. COCKER: As I said before, I did not come prepared to make a maiden speech, but the remarks which have been made by a few members gave me enough material to speak extempore. The Information Office . . .

HIS EXCELLENCY: The hon. member will find it on page 12.

MR. COCKER: I hope I am not late in voicing the feeling of the Indian community that they do not generally agree to the closing down of the Indian section of the Information Office. Whatever view any Indian member may have expressed in this Council years ago about the usefulness of the Indian Section, I was more or less in charge of that section and I can truthfully state that the Indian community is certainly missing the services which were rendered by the Information Office, and they would appreciate it if this section was reopened. Indian ladies—particularly those, and I am afraid at the moment there is a majority of them, who are illiterate—have had taken away from them the *via media* by which they were kept in touch with current affairs, that is the broadcast news in Hindustani. I do hope proper attention will be given to that.

I now come to Building Control. I think I am entitled to speak on it. Undoubtedly there is a very acute shortage of housing, but there is also a drought of office accommodation throughout the country, and I do not know whether the Building Control Committee has yet decided that it is about time they allowed certain material to be used for building offices in this country. At the moment it is almost impossible to get an office. I have to

[Mr. Cocker.] I refer to my own personal case, and I apologize for doing so, but I have tried to get offices for my sons, who are coming back from England in four or five months' time, and unless I pay a very big sum I cannot get an office. I tried to get the Building Control Committee to get an eye-sore in Government Road removed, a building which is certainly an eye-sore and should have been removed—

MR. FOSTER SUTTON: On a point of order, I have kept my seat for a long time because I did not want to interrupt the hon. member, but surely this is completely out of order?

HIS EXCELLENCY: I am afraid it is. I am extending great latitude to the hon. member because he has not spoken in Council before, but I think he would be well advised to confine himself to the question whether the report should be adopted or rejected.

MR. COCKER: I am sorry. I understand. I do want to stress that the Building Control Committee should allow material for office accommodation.

MAJOR JOYCE: Your Excellency, there is no doubt at all but that the report of the Standing Finance Committee has come as rather a shock not only to the country as a whole, but also to members of this Council, for reasons that have been stated by a number of members. Briefly, of course, the grave errors in the draft budget of estimated revenue and expenditure, whether it would have been helped or not, have created a certain feeling of insecurity and lack of confidence throughout the country, and that lack of confidence is a thing that in my opinion it is most important to restore. There has been too much lack of confidence, not only between the Government and the community, but also between the various communities in this country, and I feel that, though it may have been difficult to make a cast iron case for some of the things that we request, it would be the greatest possible pity if the Government did not seize this opportunity to restore that confidence which appears in this report on page 35, paragraph 358 (e). I know perfectly well that the answer that will be given to that argument is that Government has agreed to appoint a committee to go into these various suggestions. I can understand

well that it is desirable to allow a committee of that sort time to go into the rather more complicated aspects of taxation, where questions of statistics have to be inquired into and so on. At the same time, I do think the Standing Finance Committee has shown a regrettable tendency to "pass the buck" on every possible occasion to this committee. There are one or two perfectly simple issues which I think they could have decided.

I would like to make it quite clear that I do not range myself with a certain number of dismal people in this country, supported sometimes by the Press, who maintain that the expenditure of the Colony must be reduced by sums of the nature of a million pounds. That, of course, is quite ridiculous. This country is faced with two alternatives: either it must go forward or it must go back, and as usual I stress that in my opinion the main issue is the agrarian one. I do not suggest for a moment that we should spend money wildly, but unless we spend a great deal of money there is no doubt that this will not so much be a Colony in the making, as referred to by the hon. Member for Aberdeen, but that there is a danger of it becoming a Colony in the un-making. For that reason I personally support every item of expenditure recommended by the Standing Finance Committee that is tied up with the Development Report, even if one agrees that the increased expenditure of £280,000 does include certain services that I think at this stage we might have done without. I am not referring to services connected with the development of the country and the Development Report.

But, aside from that, the suggested relief, which I believe would cost the country a matter of £50,000 only, could be found without interfering with a balanced budget and, as an instance, I think the sum included in the budget for famine relief will be found to be unnecessarily large. That particular area has had, fortunately, the best rains they have had for two or three years, and it will surprise me very much, and it is necessary to spend in that area on famine relief the sums that have been allowed for.

I would like now, if I may, to refer to one or two remarks made by speakers as briefly as possible.



[Major Joyce].

Quite a number have suggested the importance of taking steps to get artisans into this country, and I warmly support that—I think it is absolutely essential. The conditions under which these artisans, from wherever they may come, should be imported are a matter not for debate now, but I really would urge that immediate steps be taken to get some artisans into this country—high level artisans—to get on with the building programme and all the other things absolutely essential if we are to go forward.

The hon. Member for the Coast made a remark which I cannot allow to go unchallenged, when he said that several members of the African Settlement Board were of the opinion that the money spent on the proposed Makueti Settlement was so much money wasted. I have not met those members myself, and I disagree fundamentally with what he says, because here again, although the cost may be great, I feel it will be less than allowing the state of affairs in that district to drift.

Finally, I would again appeal to Government on this occasion to weigh up the psychological effect of making the small concession that is asked for in the paragraph to which I referred. I believe it will go a long way to restore the confidence that is so greatly needed, and I have every hope that that will be accepted by you, sir. However, until some Government members make some statement in that respect, I find myself unable at this stage to say whether I will support or not support the motion.

Mr. MUNDY: Your Excellency, I had no intention up to now of speaking in this debate, but I think there is some misunderstanding regarding Government's intentions on paragraph 358 of the report. It does seem to be the feeling that Government might at this stage accede to these requests, and I think I should make it clear that at the present moment there is no intention on Government's part to accept the proposals in that paragraph. On the other hand, I want to make it equally clear that Government has not refused to accept these proposals. It is intended that they should be carefully considered by the committee which will investigate the whole question of taxation. I think the position at the moment is that

which has been summarized by the hon. Member for Ukamba, who said that while there may be little or no case for this relief, nevertheless it would be wise for Government to accede to it on the grounds that it would restore confidence on the psychological ground.

MAJOR JOYCE: I did not understand myself to say that. (Laughter.)

Mr. MUNDY: May I ask the hon. member what he did say? I did not catch it.

MAJOR JOYCE: The words I used, if my recollection is right, was that there might not be a case from the point of view incidentally, but I thought it wise psychologically to accede to it.

Mr. MUNDY: I did not take note of the "east Indian" as meaning that the case was really sound. The position is that the relief should be given on psychological grounds. Now, sir, if Government were to accede to a request of that kind, it would be equally well faced with a request for, say, a psychological shilling off native poll tax, and I think whether it acceded to that request or whether it refused it would do more to destroy confidence than to restore it. On the other hand, no mention has been made in this debate so far of the very substantial reliefs which are already contained in Government's proposals, and I will mention them again specifically, because they have been overlooked. They are: one, capital allowances for income tax; two, relief in respect of the education of children, which is a specific relief to the family man, and particularly the lower income groups; thirdly, relief in respect of life insurance. Substantial reliefs have already been granted, and the question whether any further relief should be granted is one which will be considered by this committee. Therefore, I emphasize that at this stage Government cannot consider at this moment acceding to the proposals which are contained in paragraph 358 of the report.

I beg to support the motion.

Mr. VASEY: Your Excellency, the frank and candid statement we have just heard on behalf of Government from the hon. Commissioner of Inland Revenue has, I think, made certainly my own position much easier and much clearer. I had intended to oppose the acceptance of the Standing Finance Committee report on

[Mr. Vasey]

I was prepared to accept the majority of my colleagues' suggestion that we should support it if some relief could be immediately given. One thing I would like to say here, sir, is to make my position perfectly clear on paragraph 10 of this report. Paragraph 10 says:

"The committee noted that a system of registration applicable to all firms was proposed and wished to stress the proposal as being in the interests of all communities such general registration is essential." I support that, and if I register opposition to the Standing Finance Committee report I would specifically like it noted that my position does not include that paragraph. I am delighted to hear the hon. Member for Western Area and the hon. Indian members who have spoken so far have given their support to the principles embodied in this report.

I would like to say, how sorry I am that it has been found too difficult apparently at the present moment to present this Council with a daily Hansard report. I am perfectly sure that Government is as anxious as they state for it to be done, and I do feel it would be of great assistance in debates if it could be achieved.

Dealing with the points raised by the hon. Member for Rift Valley, I must say that I agree with him, and my opinion was confirmed by the words of the hon. Financial Secretary when he said the Standing Finance Committee first dealt with revenue. I think the hon. Financial Secretary was playing the role of a fairy godmother with the Standing Finance Committee by placing them before—shall I say?—a "sleeping beauty" of an additional revenue of £341,000, saying, "How beautiful this is." At this particular point, the hearts of the suitors beat high with hope, and they thought that if they could kiss the sleeping beauty she would be awakened to life as a charming partner in the way of financial relief, but when they kissed the sleeping beauty, but she awoke she reversed the old fable and turned into a beast of some £283,000 expenditure! (Laughter.) The point the hon. Member for Rift Valley made, and I think it is an important point, is that the whole atmosphere, the friendly atmosphere, of the discussions on expenditure was under the psychological factor of the increase of £341,000 in revenue. I must say that I agree with the hon. member. The position

might have been entirely different had expenditure been taken first and revenue afterwards. The hon. Financial Secretary said that the expenditure proposals, as outlined in the budget, were cut to the bone. Presumably, having found a little bit more flesh, he found they were not cut quite so deep, and so he proceeded to cut a little deeper. They could not have been quite so cut to the bone as we thought they were, because £283,000 more was added to expenditure.

Paragraph 27, Personal Tax. I am afraid that I do not quite appreciate the argument in that. I think we did know that it was tantamount to an increase in the scale of personal allowances, but we asked for it. I asked for it in particular, because it brought some relief to the lower income group. I would point out that I did not say the lower European income group; I said the lower income group, because it is on the lower income group of all races that the high cost of living presses most hardly, and to say that apparently because it had been reviewed in 1940 "that was settled", is an argument which I am sure the hon. Financial Secretary will not attempt to sustain.

We heard a lot about non-recurrent revenue. I imagine that paragraph 45 also contains another possibility of non-recurrent revenue which we may expect at any rate in 1948. The intention notified here will, I think, be welcomed by quite a large proportion of the commercial community.

Paragraph 128, Information Office. Hon. members may remember that in my budget speech of 1945 I suggested certain changes, that the best way this Government could deal with it would be to adopt the policy followed by the Prime Minister of Great Britain and have a Public Relations Officer attached to yourself, sir. I did a fair amount of voluntary work during the war in the Information Office, and I found the difficulty was that the Information Officer was always a junior official and that that created, owing to Government cut difficulties in getting out his of and over to heads of departments in his of and over to heads of departments in his of, in many cases the right idea. I believe publicity should be achieved. I believe publicity should be achieved. I believe that if from the Information Office vote that there could be extracted an item and a place for a public relations officer attached directly to yourself, sir, we

[Mr. Vasey] should have more examples of your excellent despatch No. 44.

Now paragraph 227, Police. The Police Terms of Service Committee report has yet to be debated, but the hon. Financial Secretary anticipated it to some extent by saying that if the police were granted increases in pay, the Prisons would ask for them, the foresters would ask for them, and so would other departments of Government. In the minority report that I submitted it was for that purpose that I asked that we should have separate terms of service, a separate code, for the Police Force (hear, hear) which had been asked for by the Commissioner of Police. To my mind, the Police Force is a peaceful weapon for the maintenance of law and order. We have recently had an unfortunate example where, had it not been for the loyalty and efficiency of the Police Force, we might have had even greater trouble than we did have, and I think we should pay a tribute to the loyalty of that Police Force during the Mombasa strike. But, sir, because of their peculiar duties, I believe they are entitled to separate terms of service, and should not be prevented from enjoying the remuneration due to them on the grounds that other Government departments will immediately ask for increased expenditure, and I would like it to be known here that I am not prepared to accept the contention put forward by the hon. Financial Secretary. (Hear, hear.)

Paragraph 322. The hon. Financial Secretary made a reference there to the Nairobi Municipal Council and its public health services. I have the unpleasant duty of being chairman of the Finance Committee of that Council. We have had several meetings on the question of these estimates, and I am pleased to be able to say that we have been able to reduce our African labour force in this particular service, the mosquito service, considerably, and we reckon to save out of some £15,000 to be expended on that service a matter of some £4,000, so that we have taken on ourselves to drastically cut where possible. In defence of Nairobi Municipal Council, I must point out that a large proportion of the health services on which we spend money were pressed upon us by the Director of Medical Services at the time when they were insisted, and that we were told quite

bluntly that, unless our medical officer of health and the Council did take these measures, he would be prepared to recommend that Government should take over the health services of the Council. I think that particular point should be put on record. We naturally will come for an increased grant, we naturally expect the answer will be "No" (laughter), but I do want to stress that we are trying to keep our expenditure down to the minimum on which a good health service can be maintained.

The other point that I wish to touch on begins with paragraph 349 under the heading "Taxation". The hon. Financial Secretary, if I understand him aright, said: "Let us wait for the committee of inquiry's report, do not let us tinker with taxation". I wish that he had adopted the same attitude with some of the expenditure. However, paragraphs 349 down to 354 are the main points on which I feel I must oppose the Standing Finance Committee report.

Recently, Government agreed to an increase of 30 per cent in the price of meat; recently it agreed to an increase in the price of maize. Now, in the hon. Attorney-General's lucid explanation of some of the causes of the Mombasa strike, one phrase particularly stuck out—the cost of maize meal. I believe that it would have been better to have adopted a policy of subsidy rather than a policy of direct increase of the price of those things which are the basic commodities of the African life. I believe that in those increases we started a spiral of inflation which is now beginning to catch up with us very badly. We are going to witness a continual pressure from the African population for an increase in its cash wages, and because so many things needed for the maintenance of African life, particularly in the townships, can only be purchased through cash I believe that that pressure will be irresistible, and, to a great extent, unanswerable. The African, unfortunately, has not passed through the stage that all people pass through, of finding that cash wages are an illusion, but however much cash wages are an illusion, where money is recognized as the basic exchange, the cash available to the individual must be raised to the level where at any rate the necessities of life are within his grasp. Therefore, we have started, I believe, right throughout the

[Mr. Vasey] of the country, this process of inflation. That process of inflation has been assisted and is still being assisted under this by, the surcharges and the consequent accumulation of prices which was outlined by the hon. member Archdeacon Beecher.

That has spread not only through the African workers but through the Asian workers and through the lower income group of European workers, many of whom, in spite of what were considered the fantastic wages quoted by Indian members of Sh. 25 a day, are still living on a margin. In most Indian families the only wage earner is the man; he has not his wife going out to work as in many European cases to assist the budget; and to suggest as is suggested in paragraph 345 here that one of the processes of stopping inflation would be the forcing down of wages, which is what I see implied in that paragraph, of the workers of the country is to my mind an entirely wrong way to do it. I am amazed that it has been left to a European to defend the interests of the Indian working class. We have had black marketing in many commodities in this country, we have had price control fixed and price levels, but we know—and the hon. members Mr. Mathu and Archdeacon Beecher have had examples of that at Mombasa—that that price control has not been effective, for things that are essential can be obtained on the black market. I venture to suggest that if you are not extremely careful, if you attempt to formulate a wages policy for the groups laid down here while there is a shortage of labour in the industries, you will create a black market in labour in which the unscrupulous employer will be the one who will benefit. I ask the hon. mover of the motion and the Standing Finance Committee to consider very seriously the implications of the policy they are adopting in this paragraph.

In paragraph 353 you have something which has caused the commercial community a great deal of doubt, dismay and fear. I personally am prepared—and I have said so time and time again—in this country—to see price control maintained on essential articles. I have also urged that price control would be more effective if it disregarded the many luxuries and the many fripples which at the present moment it tries to maintain as essentials,

and concentrated completely on these things which are essential. I received only this morning a Price Control circular, parts 2 and 3 of which deal with "batteries, motor vehicles, uncharged"; and "spices and condiments, local". I suggest that if the organization of Price Control were cut down to a narrow channel and concentrated their entire efforts on seeing that the price level of these narrow channels are maintained, then they would justify themselves, because it is in the essentials that the black market develops.

On the question of controlling the margin of profits, I think that here one must remember that, unless you have had experience, particularly of the retail business, profit margins can be very misleading. Your profit margin may appear to be 50 per cent on any particular article, but what matters is not that profit margin on any particular article, but what is the profit margin which is left to your trade or business at the end of the year. The hon. mover of this motion told us—I think I have got his words correctly—that as a result of decreasing profits, income tax could be expected to fall to £900,000 this year and the possibility was that it would fall to between £600,000 and £800,000 in future after adjustments have taken place. If you force the profit margin down, you will also force down your income from taxation. I am not suggesting that there should be an undue margin of profit, but I am suggesting that perhaps the best way to deal with this would be to fix the terminal price level for the articles under consideration, limiting them to the few most important articles in the life of the population, particularly the African and lower wage group, and leave the wholesaler and retailer to fight out among themselves where the profit margin shall go. I believe that in that way you will find that inside the distributive channels of trade there would be a settling down on a reasonable trading and commercial basis.

The result of the shortage of artisans and of the wage pressure of the type which is outlined in paragraph 354 of the report, on the building programmes being visualized by Government, by many big bodies, by municipal councils and private bodies, will add to the inflation that is taking place, and I would suggest that

(Mr. Vasey) something in the nature of a building holiday should be undertaken by Government for anything other than buildings of the most urgent priority, and that the Building Control Committee should have instructions to work on those lines, so that the available labour force will not be competed for so bitterly as has been the case in the past few weeks, and so that the contractors and the workers can see that the work available will be within reach of the capacity of the present labour and contracting market.

I am worried about the whole of the Standing Finance Committee report, because I believe that it has no set national policy. It wavers and havers between indirect and direct taxation. Direct taxation, I believe, at a fixed and certain limit, is the fairest method of taxation, but that does not say that I agree that the methods applicable in Great Britain are essentially the best for a colony of this kind. But indirect taxation can lead to inflation of the kind that we are now embarking upon. I should like, if I may, to read one paragraph (I will not be much longer now) from a series of lectures by Professor Hallett Carr of Oxford, recently. He was talking about the Soviet impact on western civilization and he dealt with the economic impact and how it might affect Great Britain.

He said: "Planning therefore for the national unit for the first time entails a view of the national economy as a whole . . . . Planning presupposes"—(I would point out here that he is not talking about development planning)—"that the interest of the community has to be predetermined by a decision in the formulation of which individuals and their interests play a part, though Government authority is required to bring them into harmony. Hence Government is now concerned with the whole national economy. The traditional state budget covered, and still covers, only that part of the national income which is for one reason or another directly handled by the administrative organs of the state; and under a regime of planning it is often a matter of policy, almost of accident, whether particular items figure in the budget or are excluded from it. Nor is there any particular reason why the budget in the old sense"—(that is the type we are debating now)—"should not show a

deficit and why this deficit should not persist indefinitely. The framing of the budget involves the minor decision how much the nation can afford to devote to the maintenance of 'non-productive' services—administrative, social, cultural and so forth. It involves the further, and also minor, decision how far these services should be financed by fees collected from the beneficiaries, by taxation, or by borrowing, i.e., by a deficit which must be made good out of other sectors of the national economy. But the drawing up of the comprehensive national economic plan, the division of productive resources between production for consumption and production for capital accumulation, the fixing of wage levels and price levels, the framing of currency and credit policy—all these major decisions fall outside its scope. At last there is unequivocal recognition that what really matters is not what the Government as such spends and receives but what the community as a whole consumes and produces."

Now the hon. Financial Secretary may try to use that against me, but it is a fact, and one that emerges, to my mind, more than anything else from this Standing Finance Committee report, that it is not part of a whole plan. Its taxation is again a matter of expediency, swayed by the persuasiveness of this person or that, and I would suggest that before another Standing Finance Committee sits, Government should try to produce a white paper which covers the points outlined in, if I may say so, the remarkably brief and succinct picture painted by Professor Hallett Carr.

Because of these things, I regret I cannot support the acceptance of the report.

MR. PATEL: Your Excellency, I rise to support the motion. At the same time I should like to make it clear that that does not mean that I associate myself with every word printed in the report and every expression of opinion expressed therein, which sometimes has no bearing on the financial structure of the Colony, and therefore I should like to state that I agree with the broad structure of the financial matters which have been set out in the Standing Finance Committee report. It is necessary to mention that, because of certain remarks made by the hon. Member for Nairobi North, which would suggest that, because the Indian members

[Mr. Patel] support this motion, therefore they should be taken as having agreed with every comma and full stop in the report. I have my own criticisms to make of the report, in spite of my support of the motion.

On page 2, which has been referred to by the hon. Member for Nairobi North, it is stated: "The Committee noted that a system of registration applicable to all races was proposed and wished to stress the point that in the interests of all communities such 'general registration is essential'. It is very unfortunate that the Standing Finance Committee has got into the habit of announcing certain principles which ought to be decided somewhere else. What they ought to state, in my opinion, is that, if Government adopted the policy of applying a registration system for all races, they would make provision for the necessary finance. Otherwise it should be taken as what the lawyer calls 'obiter dicta', and it should not be taken that, as a member agrees with the motion before the Council, he therefore agrees with a principle such as this.

At the same time, as it has been mentioned by the hon. Member for Nairobi North, I should like to make the position of the Indian community very clear, and that is that the majority of the Indian community do not see eye to eye with the recommendation of applying a registration system for all races. I for one personally am prepared to support it, provided I am convinced that the African community is agreeable to accept it and that they demand that it should be non-racial and apply to all races. Whatever may be said in favour of the arguments of applying this to all races, it is very clear that the question arose on account of the demands from the African members for the revision of the kipande system. I for one would not support the proposal unless I am convinced that the African members support it, and provided that they demand that it should apply to all races. It is no use blinking the real facts and trying to pose as angels, saying we are now ready to apply it to all races. We are doing it as a political gesture, and in that case I shall be ready to agree with it.

Page 6: There is one small item, item 60, "Asian officers' family pension fund—

cost of administering fund £1,100". I have very strong criticisms to offer—I have spoken in this Council three or four times on this matter—and that is, that as long as the cost of the administration of the European officers' family pension fund is met from general revenue, it is very unfair to charge administration costs to the Asian officers' family pension fund; it should come out of general revenue. Government has accepted the principle of treating the European and Asian funds on the same basis, and in the circumstances I strongly object to the inclusion of this item of £1,100.

The next item is on page 10. I feel very doubtful about either the knowledge of the Standing Finance Committee about certain matters or their examination of certain questions. I refer to paragraph 104: "After discussion the Committee recommended that the principle of payment of special allowances for particular duties which carried with them additional responsibility should be accepted . . .", etc.—I will not read the whole paragraph. Anyway, the recommendation is made in regard to European primary teachers, and in fairness they should have also agreed to the same treatment for Asian primary teachers. I see the hon. Financial Secretary shaking his head; therefore it appears I am making a grave mistake, so perhaps I should not make any further comment. What I wanted to say was that the question of a suitable salary for Indian teachers has hung fire for a long time, and it is high time Government gave careful consideration to that aspect. What makes me say so is that I have many times seen special warrants in regard to buildings for European education, while in regard to Indian educational buildings, even though the vote has been sanctioned for years, it remains unspent, and the foundation stones are never even laid.

The other point I wish to mention is on page 19. I should like to know whether the hon. Director of Public Works has asked the Standing Finance Committee to give him some more money for the water supply in Mombasa. I have for the water supply in Mombasa. I have lately been informed since the debate on the draft Estimates that a very important part of the island cannot be built on because the Public Works Department are unable to supply water. It is a very

[Mr. Patel] important part of the island on what is known as Mzazi Mmoja on the Ganjoni road, where one Indian has built a house and other Indians have obtained permits to build, but the Public Works Department says that there is no water supply available. I spoke to the Executive Engineer, Mombasa, about it and expressed a wish to make representations at Nairobi, and he gave me a very courteous reply to the effect that he could look after himself. They have not looked after themselves because I know this area cannot be developed on account of the water supply difficulty. I hope I shall have a reply that the hon. Director of Public Works has submitted his estimates for extending the water supply to that very important part of Mombasa island.

The next item is on page 23. Various members have commented. The Standing Finance Committee, which is very anxious to enunciate high principles of policy, such as that regarding the registration system, do not seem to have yet done anything to reduce the Controls in any direction. Sometimes exporters obtain very high prices by exporting certain commodities, from which neither the producer nor the manufacturer in this country benefits, and large profits are going into the pockets of the exporters. I will give one instance to illustrate my point. Take oil cake; the control price is Sh. 56 and some odd cents, but exporters export that commodity at Sh. 300, or Sh. 250 a ton to South Africa. I do not think either the producers or the manufacturers benefit from that. If my information is correct, the same position prevails in regard to hide and skin control. The exporters make large profits, while the African does not benefit. That is what I am told by those interested in the business, and it is high time the whole question was carefully examined.

The question of artisans, the cost of building and other matters have been mentioned. I know that whenever well qualified people apply, for example, for registration as electrical contractors, the reply given is that Government is considering the promulgation of certain regulations, and that until those regulations are brought into operation their applications cannot be considered. Meanwhile, the poor unfortunate builders cannot get adequate numbers of wiremen

or electricians to carry out the work. These instances show that it is high time very careful consideration was given to all these Controls and the Defence Regulations which came into operation during the war.

The next point is on page 33, and it has already been referred to by my colleagues, but I am not satisfied with the points which have been mentioned, and should like to put it this way. The first point is paragraph 349: "The Committee felt serious concern regarding the present cost of living, which in its view constitutes a serious hardship to the lower income groups of all races..." I agree with the expression of opinion by the Standing Finance Committee and the concern shown, but what defeats me is that some hon. members on the one hand say that we should consider those who are in the lower income groups and at the same time they are prepared to support the increase in personal tax for people whose income is £60 a year or less. Under the original ordinance they had to pay Sh. 15 a year; now they say they are prepared to support raising it to Sh. 20. People whose income is £120 a year or less had to pay under the original ordinance Sh. 30; now these hon. members are prepared to support the proposal to raise it to Sh. 40. This is the way they are serving the interests of the lower income group. People whose incomes are less than £120 but who are not liable to pay income tax under the original ordinance were liable to pay personal tax of Sh. 40, but now these hon. members are prepared to increase it to Sh. 60.

I submit that it is wrong to say that we are here to discuss the budget from the point of view of the lower income groups. If that were so, hon. members on this side of Council should have stoutly resisted the payment of increased personal tax for people whose annual income is £60 and £120 per annum. But the whole idea appears to be to discuss only those persons who are liable to pay income tax, and they appear to be the only people in this country who are not classed as the lower income group. But those who do not pay personal tax are not to be classified as such. I personally think it is high time that we exploded this kind of argument in this Council. It is very strange that people with common sense

[Mr. Patel] should not realize that they are not serving the interests really of the lower income groups when supporting an increase in the personal tax. But perhaps they are not concerned with that.

The next point I should like to refer to is on the same page, the remarks in regard to tailors and artisans. It is true that in this country unless we have a larger supply of tailors and artisans there is going to be a rise in the cost of living in regard to buildings and rents and clothes, etc., and therefore some means should be adopted forthwith, in my submission, to allow tailors and artisans to enter this country under the Defence Regulations. I suggest that those who have resided in this country at any time should be allowed to enter again, without considering whether they stayed here for five or three years or whether they were here in 1939 or not.

The next point I should like to refer to is on page 34. I agree with the Standing Finance Committee report that the question of wages should be carefully considered and that some steps should be taken to adjust them according to the economic conditions at present in this country. I fail to see the claim of the hon. Member for Nairobi North that the European members had defended the cases of the Indian artisans in this Council, when he mentioned that they were living in very foul conditions and had to pay high rents, etc. What the Indian members want to suggest to Your Excellency is to see that in this country we have a fair supply of artisans and tailors. That does not mean that we should not pay them commensurate with the cost of living in this country, but at the same time what we are thinking is that the artisans or skilled labour should not be in the position of being able to dictate terms beyond the capacity of the country and that a situation should not be created by which all work where skilled labour is required will be delayed and cannot be carried on.

I do not agree with the three hon. members who have put in their minority report in paragraph 358. I for one suggest that the really lower income groups whose incomes are less than £200 should be the first whose interests should be considered, and for that purpose we should be ready to oppose the increase

in the personal tax; we should be ready to oppose the surcharges if necessary; we should also be ready to oppose customs articles, in regard to certain essential articles. That is one way in which we can serve their interests. But the way these three members have suggested I think they are only trying to assist those who do not need assistance.

With those remarks I would again like to say this; that I support the broad structure of the finance of this country, and because I support the motion it does not mean that I support every word of it, as the hon. member for Nairobi North wanted to suggest.

Mr. NICOL: Your Excellency, as a member of the Standing Finance Committee I would like to pay a very sincere tribute to the hon. Chief Secretary for his admirable handling of the committee during our deliberations. This is the ninth budget which I have had the misfortune to go through as a member of the Standing Finance Committee, and I think I can safely say that certainly I have seen the most difficult one we have had, and it was due to the hon. member's able handling that tempers really did not get frayed. Of course, we had a certain amount of back chat, but taking it on the whole the general trend was reasonable, and I thank him very sincerely for his patience.

I should also like to pay a tribute to the Government Printer. He undoubtedly has had a very sticky time this year, because when we got his galley proofs and went through them we certainly knocked them about a bit, and his staff must have put in an enormous amount of additional work. They have done a very good job of work to get the printed report out as quickly as they did.

The first point I should like to take up is paragraph 70, which was commented on by the hon. Member for Kilambu. I cannot agree with the remarks made by the hon. member, but I will agree with her that there is a tendency all round perhaps to live at a fairly high standard. But the Provincial Commissioner of the Coast, being stationed where he is, in the port town of Kenya and Uganda, does have inflicted on him a considerable expense in looking after the V.I.P.s and others passing through that area, and he has got to maintain the prestige of the

[Mr. Nicol] Government, and not only of the Government but of the Empire. I have always felt that in the case of officers placed in that sort of position it is not right that they should have to draw on their personal resources to maintain those positions: I am very glad indeed that the Standing Finance Committee agreed to this increase. I have always maintained that attitude, and I have to take this opportunity of disagreeing with the hon. Member for Kiambu.

Now, paragraph 24, native poll tax. This was commented on by the hon. Member for Rift Valley yesterday, and the committee, as indicated in the report, was most perturbed by the unsatisfactory position in regard to the collection of that tax, and I do want to underline that paragraph. What I would like to know is, when somebody asks for exemption, what form of means test does he have to submit to from the collecting officer, or is it done in some sort of haphazard way on pitching a good yarn or a hard luck story? or because the officer likes the look of the chap's face? I think this exemption matter must be gone into very carefully indeed.

Paragraphs 248 to 252, Pensions and Gratuities. My hon. friend Archdeacon Beecher has very ably dotted the 'i's and crossed the 't's of these paragraphs, and I merely want to underline the views which have been so ably expressed by him. I think that to carry on in the way we are doing is to live in a fool's paradise, and I feel it would be much sounder finance to follow out the recommendation put forward in these paragraphs. But I must join issue with him, or not perhaps join issue with him so much as to take him up on certain remarks of his on price control. From what he said it might be inferred that the profit which is referred to, the profit allowed, was actually net profit but of course, it is not. It is not net profit at all: it is a gross profit, which has to cover overheads, salaries, rent—and I think the hon. member will agree with me that rents of shops in Nairobi, particularly in Government Road and Delamere Avenue, are very high indeed—interest on capital outlay, and a hundred and one other things that have to be recovered before you get down to actual net profit which the merchant is able to obtain.

The hon. member took as his example ladies' dresses, and I think I am correct in saying—I hope he will correct me if I am wrong—that the gross profit a merchant is allowed on the last invoice, the fourth, totalled up to 92 per cent; I am almost certain that was the figure he said. I have taken the trouble to get in touch with the Price Controller on this subject. I am not disputing the hon. member's mathematical calculations, but he said that was very high. But it is very much lower than the price was pre-war, and these are the figures which have been checked from actual documents by the Price Controller. The pre-war final gross profit figure was not 92 per cent on artificial silk and cotton dresses but was 155 per cent and 134 per cent. (Members: Shame!) And on ladies' blouses it was 129 per cent. You see, therefore, that in fact price control has pulled down the profit margin very considerably. They are possibly not the actual profits on account of the increased cost. In pre-war I also heard that on crockery, Japanese crockery and glasses the profit was 300 per cent. Anyway, I wanted to just make it quite clear that when the hon. member Archdeacon Beecher is talking about profit margins they are not net profits. But I do agree that steps must be taken to bring down the cost of living on essential articles, and that is the wording used here in paragraph 353, "essential articles". And I agree with the hon. Member for Nairobi North when he says that time should not be wasted on the question of control of luxuries.

As a member of the Standing Finance Committee I must make a comment on the minority report signed by the hon. Member for Western Area, Mr. Pritam. I am very sorry indeed to see that he is not in his seat at the moment. We cannot let that go by, because it is not correct to say that the claims of the Asians were disregarded. I have been a member of the Standing Finance Committee, as I say, for nine years, and all members have been most careful to consider very carefully the points put forward by representatives of all communities, and it is entirely wrong for the hon. member to really trill his coat—and he is very naughty indeed in doing it. (Laughter.) I told him I would have something to say about it, in fairness to the committee

[Mr. Nicol] and in fairness to his colleagues. Council has been told that the Standing Finance Committee deliberated 100 hours on this budget—100 hours. I think of that time I was only absent—14 hours; but I can assure hon. members that the hon. member Mr. Pritam was absent many, many hours. I did not keep a batting card of his attendances, but it was very noticeable how often he was absent, and during his absence many things were very carefully discussed which affected the Asian community, so that it is most unfair to impute that charge against the committee.

My hon. friend the Member for Ukamba said he thought the Standing Finance Committee had been passing the buck. Well, I do not think that is quite a fair charge. As I have just said, we did spend 100 hours studying the budget item by item, and if we had gone into the intricate details which have to be gone into by the committee appointed to consider the incidence of taxation we would still be considering the budget—heaven knows when we would have got this debate out of the way, we should probably still be debating it in January, 1948! and it is not a particularly easy one.

Now I come to the question of the hon. mover's speech. I do not think he was particularly fair when he was discussing the general taxation paragraphs which are contained at the end of this report, the paragraphs starting at 349. He seemed to me to lay stress, particular stress, on the demand—and it was a general demand from hon. members here—for a reduction in income tax. I think that if you read these paragraphs from 349 onwards, they do show that our concern and the committee's was for the difficulties which are experienced by the high taxation on all communities. We were unable, and unfortunately unable, to devise a means of affording relief forthwith to all communities, particularly those communities who are outside the income tax group, but here I would like to congratulate the hon. Member for Nairobi South for producing a suggestion which would affect the lower grade of income tax payers, and that applies to all races. Though we were not able to devise a scheme which would afford immediate relief to those lower income tax groups,

the suggestion of the hon. Member for Nairobi South meant that relief would have been immediate without, as the hon. mover said, tinkering about with the basic rates of tax. What is more, I understand the hon. Commissioner for Inland Revenue is satisfied that this scheme of rebates suggested in paragraph 358 does not create any anomalies. What is more, by adopting this abatement scheme you do not interfere in any way with the adjoining territories, and I submit that it is within the competence of this Council to make abate-ments in what is a domestic matter.

The hon. mover said—and I wrote his words down when he was speaking—that he and his colleagues were unable to accept this particular recommendation unless it can be established that hardship existed. I think those were the words he used. Well, I personally am quite satisfied that hardship does exist in the groups which would be affected by this, and the hon. Member for Nairobi South produced budgets which I am quite certain he would allow to be checked. But we are convinced ourselves, the three of us who signed and made this recommendation; that there is need and necessity for some abatement. I was very glad to hear the hon. member for the Coast say he supported in principle the plea for a reduction in income tax, and I am fairly convinced that a reduction on the basis of paragraph 358 (a) is justified, and would have a very great psychological effect.

It is fully realized that this reduction which is asked for is only a temporary need, and is a measure which would be applicable to 1946 incomes on which tax will be paid this year, and in no way does it cut across the work to be undertaken by the committee which has been referred to in paragraph 355. It is going to take that committee a very long time to arrive at conclusions, and what the income tax payer wants to know, and to know now, is what relief he is going to get and not to wait until September. The hon. mover has emphasized and stressed that if the recurrent expenditure, which as will come on the Colony's budget as a result of the development programme, if result of the development programme, if that is to be met, taxation will have to be kept up. I do not think anybody will quarrel with that, but there is no reason why everything should be dumped on to

[Mr. Nicol] income tax. Income tax is an awfully easy way out, but I will give the hon. member this warning. Unless he handles income tax rates very, very carefully, he will eventually kill the goose that lays the golden eggs, because it might eventually get to a certain stage when an individual just finds it is not worth while making an extra effort or going in for additional investment or increasing his output at all; he says, "Why should I?"

The whole question of taxation in a country like this is most frightfully complicated. You have got a country which is composed of all races with different standards of living, different outlooks on life, different customs and habits, and taxation must surely be so devised that there is an equitable spread of taxation among the various communities, fair, and in relation to the standard of living and mode of living of those communities. It therefore strikes me as being necessary that alternative forms of taxation are examined, and examined very, very carefully, as it may well be found that in this country indirect taxation will prove to be a greater benefit to the revenue rather than by means of direct taxation, and I do think this is a point which can be argued. Nobody will dispute the fact that it is the desire of us and of all races to have social services improved. All communities are demanding increased social services, and of course they have got to be paid for, but it is entirely wrong that one group of tax payers alone should bear the brunt of all social services. It has been found in England that, after a certain point, income tax becomes a definite deterrent to work, and that indirect taxation is the better way of getting at the lower income tax payers because he does not feel that he works a few hours' overtime and Government takes more than half the overtime he earns. It has been made clear by Sir Stafford Cripps very recently in a speech at home directed to the workers of England, that all must work, and work hard. This slogan, that all must work, does not just apply to Kenya, it does not just apply to East Africa, but to the whole world, to the whole lot of us, no matter what community, and it is essential in a growing colony like Kenya, a developing colony, that everybody does pull their weight and work and tip up a

full day's work and, of course, draw a full day's pay.

I just want to emphasize that, on the question of taxation, the consideration of the committee was not, as indicated by the hon. Financial Secretary, confined to income tax payers only. That was the impression I got from his speech—it is not use the hon. member winking at me! I got that impression from his speech, and it is the impression given to other members on this side of Council—for considerable consideration was given to the question of relief in the cost of living and taxation or in some other way to all members of all communities.

There is one point I must make, and that is those who criticized the increased recurrent expenditure, I do not recall in the budget debate a rejection of the Development Committee report, and by the acceptance of that report this Council has accepted its implications.

I was most disappointed with my hon. friend the Commissioner of Inland Revenue, though I fully realize that no doubt he was speaking under the influence (laughter) of the whip. He is normally a very, very broad minded man, but in certain circumstances I quite understand the very unfortunate position in which he finds himself, and I am very sorry for him. I want to make my position quite clear. I do think that Government missed a golden opportunity when my hon. friend spoke. He gave a flat refusal on behalf of Government to the request contained in paragraph 358 of the report, which is a considerable modification on the demand made in the budget debate for St. I had the income tax. This would have had a wonderful psychological effect in Government, which I am afraid at the present moment is sadly lacking in many quarters, and I do hope that before the final and irrevocable reply is given to this debate, Government will ponder on the wisdom of accepting the recommendation in paragraph 358, because if they do not I regret I shall have to vote against the motion.

SIR GILBERT RENNIE: Your Excellency, I do not propose to say very much to-day, since my hon. friend the Financial Secretary will deal with the various taxation points that have been made. On the other hand, I feel it is necessary

[Sir Gilbert Rennie] for me, as Chairman of the Standing Finance Committee, to say a few words in defence—not only of my official colleagues on that Committee, but also of my unofficial colleagues, against some of the charges that have been levelled against them.

The impression that I gained from the speeches of several members who criticized the procedure that had been adopted by the Standing Finance Committee was that it was inappropriate, and indeed quite wrong, for the Standing Finance Committee to come back to this Council with proposals for increased expenditure. I have not heard any of the members say that they had studied these increased expenditure proposals very carefully. I may add that that was one thing that the Standing Finance Committee did do; it considered every increase with the greatest of care, and if I may just mention a few of the more important increases that have been suggested by the Standing Finance Committee, I think some of the unofficial members on the other side of Council will recognize not the "beast" to which reference has been made, but the "beauty" which they themselves suggested at an earlier stage—might emerge from the 1947 budget.

In the first place, we have increased expenditure recommended in respect of the maintenance of the roads of the Colony of £19,000. Is that or is that not in accordance with the oft expressed request of district councils and members of this Council? The answer, I think, is in the affirmative. We then come to an item that concerns the hon. Member for Nairobi North rather closely, and when he mentioned that the increased expenditure of £283,000 took the form of a "beast", I take it that this at least was one beauty spot on the beast: the item of £14,000 payable to the Nairobi Municipal Council as a result of the increase in rates. This is Government's increase in contribution in lieu of rates, and I think that that, the hon. Member for Nairobi North might agree, is not entirely lacking in beauty.

There are one or two other items of that sort. The hon. Member for Kiambu has stressed the necessity of doing something for the Police. Well, one of the items suggested by the Standing Finance Committee is an increase of some £13,600

in the recurrent votes of the Police Force. We have also, arising out of the implementation of the Development Committee Report and the necessity of taking action on the early stages of that report in 1947, agreed to increases in respect of the Medical Department of some £23,000, and in respect of the Veterinary Department of some £10,000. Connected with the Veterinary Department and also the Medical Department is the item in respect of tetse research, which I consider is essential if we are going to deal with the menace of the tetse fly, and with the question of clearing areas at present infested by tetse fly—an item of £9,411. I need hardly refer to the item of £19,392 which the Committee recommended in respect of the public debt of £300,000 which was incurred last year when the Railway Administration gave a loan of that amount to the Government. That item, of course, is covered by corresponding revenue, and I think the question of corresponding revenue should be taken into account not only in respect of that item, but in respect of one or two other items on the extraordinary side of these increases.

We have been told by my hon. friend the Financial Secretary that the recurrent increases, out of that figure of £283,000 to which reference has been made, amount to £166,000. The various items to which I have referred total almost £120,000, and I merely picked out those items as being the larger of the various increases recommended on the recurrent side. The point I would make is that: that these increases were agreed to by the Standing Finance Committee not only as a result of the representations made by Heads of Departments during the Standing Finance Committee discussion on the estimates, but also as a result of representations that had been made by members of this Council, by district councils and other bodies from time to time, and I think my hon. friend the Financial Secretary made the point, not only in his budget speech, but also in moving this motion, that the original Draft Estimates were cut to the bone. The hon. Member for Nairobi North seems to interpret that particular metaphor differently from the interpretation put on it by my hon. friend the Financial Secretary, and, may say, by myself. Metaphors are always dangerous



[Sir Gilbert Rennie] object to that particular item, in view of the essential nature of the services that that expenditure will provide. The value of the Agricultural Machinery Pool has been amply demonstrated over the past few years and, in view of the shortage of labour and in view of the necessity of spending more capital on getting additional agricultural machinery for the Pool, I submit that that expenditure will be a very wise provision.

Then we have one item, housing for district council road gangs, £8,000. It would have been a simple matter for the Committee to say "No, we do not propose to give the district councils any money at all for housing their road gangs", but in view of the fact that Major Orde Brown, as he then was, recommended very strongly that the housing conditions of road gangs should be improved, and in view of the fact that money has already been voted for the Public Works Department housing of road gangs, it seemed to the Standing Finance Committee that it could not logically refuse to provide district councils with some money for their road gangs, and this the Standing Finance Committee regarded as the first instalment of what it is hoped will be a fairly comprehensive programme stretching over a number of years.

Perhaps I might also mention a few of the "extraordinary" items that go to make up this figure of £283,000 to show that, even among the non-recurrent items, there are various items for which a very good case indeed can be made out.

Some hon. members have taken the Committee to task because the various sums in respect of Public Works Extraordinary that are now recommended by the Committee did not appear in the first instance. It is true that the Standing Finance Committee has suggested that an additional sum of £10,000 should be provided for arrears of maintenance in respect of Government buildings. That I regard as a wise provision, and I would suggest to those of us in this Council who are good business men that, in recommending this particular provision, the Standing Finance Committee merely adopted good business practice, and the same thing applies to two other items under Public Works Extraordinary: the major overhaul of road transport and plant, £5,000; and replacement of furniture, £5,000. These items total £20,000 in respect of Public Works Extraordinary, and I maintain that in recommending these increases the Standing Finance Committee acted as good business men would.

We can now touch on some of the other proposals. For example, there is an increase recommended by the Standing Finance Committee in respect of the Agricultural Machinery Pool of some £25,000. I do not for one moment imagine that those members on the other side of Council who are farmers really

object to that particular item, in view of the essential nature of the services that that expenditure will provide. The value of the Agricultural Machinery Pool has been amply demonstrated over the past few years and, in view of the shortage of labour and in view of the necessity of spending more capital on getting additional agricultural machinery for the Pool, I submit that that expenditure will be a very wise provision.

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There is only one further item I would refer to in these "extraordinary items", and that is the transfer of excess profits tax recoveries to the Excess Profits Fund—a sum of £20,000. That, I may say, is covered by revenue. The total of these items I have mentioned, plus a sum of £10,000 for local native council roads, amounts to £303,000. The Committee regarded as essential, come to £33,000. So in respect of these more important items that I have mentioned, we get a total of roughly £200,000 out of the £283,000 which has been mentioned on several occasions in this debate. The point I would make in this connection is this. It is not altogether appropriate for members of this Council to take to task members of the Standing Finance Committee for recommending various proposals which have been, as it were, thrust upon them by arguments from different parts of the country from time to time, when those members are not in a position to know all the arguments that were put forward, not only by heads of departments, but by other people in

[Sir Gilbert Rennie] respect of these various items. I may say, as has been said already, that the Standing Finance Committee gave the closest consideration to all these proposals, and the fact that it was able to suggest increases on the revenue side of the budget did not necessarily have a dominating influence in its recommendations. So far as some of the items are concerned, they would have gone through, in my view, even if the result had been a deficit budget, so important are they; and I would suggest that the first people who would have taken exception to the exclusion of these items would be some of the members who have criticized them in the course of this debate.

The hon. Member for Rift Valley referred to the question of housing for the Veterinary Department, and asked why it was necessary to spend £9,000 on this. The short fact is that the Veterinary Department has not in some instances housed its employees at all satisfactorily, and my hon. friend the Labour Commissioner could tell you that, in respect of the housing at Naivasha, conditions were very far from satisfactory, and some of that £9,000 will be spent on improving conditions at Naivasha for the labourers there, and for some of the Veterinary Department's other employees there. In the same way it is regarded as essential that the housing conditions at Ngong should be improved; the same applies to the housing at Kisumu. One further item makes up the total of £9,000—offices and laboratories out at Limuru. The fact that this is heavy expenditure on housing at these various stations has not been overlooked. I do not propose at this stage, since I will deal with it when I move the adoption of the Standing Finance Committee report on the D.A.R.A. Estimates and the Development Committee Report, to say much about the question of temporary housing and housing of a semi-permanent nature, but in all these proposals that are being put forward now for housing, D.A.R.A. will not overlook the question whether good use can be made of temporary or semi-permanent buildings.

The hon. member Archdeacon Beecher referred to the question of African liaison officers, and that is another point that I propose to take up when dealing with

the Standing Finance Committee Report on the D.A.R.A. Estimates. Provision has been made in the D.A.R.A. Estimates, and I think that that matter can be properly dealt with there.

Coming to the remarks of the hon. Member for Nairobi North, there is only one point to which I would refer, since opinions seem to differ about the views expressed in paragraph 354 of the Standing Finance Committee Report, namely, the question of wages. I think that the reply given by the hon. member Mr. Patel sufficiently covers the point, and all I would say at this time is that, if we adopted the arguments used by the hon. Member for Nairobi North in respect not only of wages but in respect of, say, primary produce, at the present time, the inflationary spiral of which he spoke would be rocketing much higher than it is.

So far as the speech made by the hon. Member for Mombasa is concerned, I would refer to only one of his remarks in case there is any misapprehension. He said that it was wrong that one group of taxpayers should pay for social services. He also referred to the increases in recurrent expenditure recommended in the Development Committee Report. One point that is stressed in the Development Committee Report is that it is essential that the various communities, so far as practicable, should pay for their own social services, and the recommendations as regards education, for example, make the views of the Development Committee very clear on that point.

I do not think that there is any question, if the recommendations of the Development Committee are implemented, of one group of taxpayers paying for the social services of all.

Reference has been made, and I think it only appropriate that I should refer to it also, to the minority report of the hon. Member for Western Area. I am sorry that he is not here, but anything that I say now will not, I think, be taken amiss by him, even when he sees it in the paper. It was only after the Standing Finance Committee had concluded its deliberations that it was brought to my notice that it was not necessary for him to sign the report in view of certain views he held. During our final session he had given no indication of that intention. Fortunately, I was able to have a word

[Sir Gilbert Renne] with him that same afternoon, and I pointed out to him that, if in the course of the discussions he had wished to be dissent on any particular point to be recorded, I was sure the other members of the committee would have been only too happy to ensure that adequate reference was made to his point of view. I went on to explain that it would be a rather unusual procedure if a member of the committee did not sign the report at all, and I suggested to him that his point could probably be adequately met if he signed the report and at the same time submitted a minority report stressing the points that he wished to emphasize. He was good enough to agree to my suggestion. He produced his minority report and, after discussing it with me, said that he would be quite happy to sign the Standing Finance Committee Report with his minority report attached to it. I think, as he himself said to me, he was under some misapprehension about the procedure that should be adopted in such circumstances, and I think it is only fair to say that he had not the slightest intention of being in any way discourteous to the other members of the Standing Finance Committee. If he had happened to make his point a little earlier during the discussions, I am quite sure we could have met his wishes adequately as regards his dissenting views appearing in order of presentation, like some of the other notes that appear there at present.

Well, as I said, I propose to leave to the hon. Financial Secretary the main burden of replying to this debate. I merely wish to make it clear, when the Standing Finance Committee came back with its report recommending increased expenditure, that it did not do so lightly. It had gone into the various details with the greatest care, and I think that some of the critics of these various proposals and of the procedure adopted might even have felt obliged to sign the report themselves if they had been members of the committee. The short fact is that we discussed proposals very carefully indeed, very exhaustively, and, as someone said, exhaustively at times, before we signed the final report as it stands to-day.

In conclusion, I would express my appreciation of the words said by my colleagues on the Standing Finance Committee in respect of the part played in it

by my hon. friend the Financial Secretary and myself. The work was hard, the work was difficult but, looking back on it, despite some of the remarks made in the course of this debate, I do not regard the work as being carried out in vain. I think that in many ways it was a most educative experience to take part in the discussions that we had over this report, and my regret is that some of the critics of the report were not able to be present to take part in the discussions or to listen to the various arguments that were used. (Hear, hear.) I thank my colleagues for their expressions of appreciation, and would only say that without the assistance of the hon. Financial Secretary we should on many occasions have foundered even more badly than some critics would say we have done.

The debate was adjourned.

#### ADJOURNMENT

HIS EXCELLENCY: I would take this opportunity, in order that hon. members may have such consultations this afternoon as you may wish, that I have what I regard as a very important official tour for the first three days of next week in the Ukamba district. When I fixed the dates some months ago it was not anticipated that the proceedings of this Council would take quite so long as they have. A good deal of expectation has been aroused in the district, and I have a good many people waiting with difficult points of view to put in front of me, and I would regard it as a very unfortunate thing if I had to cancel the visit. I hasten to add that the business of this Council, of course, must take precedence over other engagements, but at the same time I think it would be possible to arrange for one of the official members to preside in my absence, though I am afraid that neither the Chief Secretary nor Attorney General could do so, as they are concerned with the business before the Council. If the Council will absolve me of any discourtesy I feel, even if we are not through by the week-end, that I should keep my engagements in Ukamba, but if hon. members feel otherwise I would defer to their wishes. If you could consult among yourselves this afternoon we could arrange the business accordingly.

Council adjourned till 9.30 a.m. on Thursday, 30th January, 1947.

—Thursday, 30th January, 1947

Council assembled in the Memorial Hall, Nairobi, at 9.30 a.m. on Thursday, 30th January, 1947. His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### MINUTES

The minutes of the meeting of 29th January, 1947, were confirmed.

#### KENYA DRAFT ESTIMATES

1947

#### STANDING FINANCE COMMITTEE REPORT

The debate was resumed.

SIR A. VINCENT: YOUR EXCELLENCY, unfortunately I am unable to rise on this occasion and to congratulate the hon. mover on the way he presented the report of the Standing Finance Committee. Indeed, in one particular, and I feel as a member of the committee, and I am certain the hon. Members for Mombasa and Uasin Gishu feel the same, that he was distinctly unfair, because he slid over the great efforts, the really sincere efforts—not the active consideration, but active action—which we took to try and devise a means whereby relief in indirect taxation could be given and that we could come back to this Council with a complete scheme. I do not ever blow my own trumpet, but I should like to say to members that, if the committee worked on this for one hundred hours, I worked on it on behalf of my colleagues for at least another hundred hours. The presentation of this report by the hon. Financial Secretary, whether it was deliberately done in order to give the country a false impression I do not know, and I am not suggesting that the whip has been cracking, but it has given a false impression to the members of this Council and also to the country as a whole, and I deprecate it personally, and on behalf of my colleagues, and I intend to make no apology for taking up the time of the Council to go into considerable detail of the efforts which we made, so that they can be on record, and disprove once and for all that my colleagues and myself are only interested in relieving the higher groups of income tax payers. This impression must be removed once and for all.

We have heard a lot of criticism because the Standing Finance Committee returned to this Council with a report which suggested that increased expenditure should be passed. Why should we do that? This country seems to suffer from two diseases, among many others. One is called "generalizations", which are used in this Council, and also that wonderful product which seems to prevail in Kenya of destructive criticism. I understood the reason why the revenue and expenditure were underestimated, merely because the whole system of Government accountancy is, to use a vulgar expression, just hairy. How can you expect Heads of Departments in May of a year, or just before the 1st July, to produce first of all revenue estimates for the next year, and also to produce estimates, and complete estimates, for their departments? I happen to know that we were so anxious that expenditure should be cut down that the hon. Financial Secretary issued instructions, and received instructions (I hope I am at liberty to say this) that he should fix a limit to each Member and each head of a department based on the revenue which he thought would be reaped in the ensuing year. It was within these limits that these estimates were made. Naturally, when heads of departments came before us with reasoned cases, we just did not agree to our own pet schemes. We, as a committee representing the whole of this Council, had to take the picture as a whole, and not just specify our own personal desires.

The present reports, criticized though they may be, have this distinct merit: they threw into relief in an unmistakable manner—nothing is hidden, they are clear—to tell the country exactly what we have got to face if we go forward with our present programmes. If they are a warning to the country's nothing else, that in this country's anxiety to catch up with a 15 years delayed building programme, to give effect to almost hysterical social schemes, we are in the next few years to be faced with an exceedingly heavy burden of taxation, and I believe it was the duty of the Standing Finance Committee in all circumstances to make that clear to this Council and the country.

[Sir A. Vincent] and not to do so by means of generalizations, but to be specific, which we have been. We must not forget that it becomes clearer each day that we are trying to achieve the impossible, because as we proceed the supply position gets worse instead of better, the labour position, because of the withdrawal of the Italians, gets very much worse, and the value of the £ is very low and is likely to go lower. But there is this point, that if we are to proceed with the programme which the country may or may not demand, I am certain that every item in this report is fully justified. After your policy, then alter your report, but I am certain that it represents the minimum of essential expenditure based on the present policy, and I contend that it is not a matter for the Standing Finance Committee to decide policy, it is the business of this Council as a whole.

Then, although it has not been mentioned in this Council, I must make reference to it. We have been criticized a great deal because in that report we had agreed to some increases in salaries, and we are told that we had no right to do that for, after all, a commission has been appointed to go into the salaries of officials and we should await their report. I do not know how long we are likely to wait. It may be that the commission will arrive in a few months, report within a year, have inactive consideration by the Colonial Office for another year, and we may know the result in perhaps less than three years. (MR. COOKE: You are an optimist.) If any member of this Council or this country thinks that I, as a member of the Standing Finance Committee, or the Council, am prepared to see the perpetuation of any injustice towards the service, they can just think again.

But hon. members have suggested, and I cannot believe they are serious, that if we had not taken the matter of revenue first we would not have increased the expenditure, but in actual fact we are perfectly fair to the chairman and the hon. Financial Secretary, because of the arrival of the new Commissioner of Customs and because of the complete uncertainty of the revenue

position, they wanted to take expenditure first, and I am to blame for taking revenue first, because I became suspicious of it. I said why, if in other years first, should we take the expenditure estimates first now? So we took the revenue, and went back to the revenue later, got further information given us and further figures produced by the Commissioner of Customs, and I want to take exception to the fact, and members will not believe me when I say there was no relation between one or the other in the consideration of these figures. How could there be? One head of department comes before us—we do not take them in order of priority, these men have got to work, and some were away—we called these heads of departments and they came before us, and you cannot say to a man that because the score is down he cannot have anything because the other fellow has got it. People who think like that had better take a walk in the country. (Laughter.)

Now, sir, the charming picture which was painted in quite a good humoured manner by the hon. Member for Nairobi North of the attractive sleeping beauty. Well, sir, I must say to this Council that even at my age I am not interested in sleeping beauties. (Laughter.) I am sure that that goes for the hon. Member for Mombasa as well, and I should not be surprised for the hon. Member for Uasin Gishu as well. No, sir, we took every case on its merits, as it was our duty to do, and to face the criticism and to face the jockals when the report was published.

While I am on general matters, although I am certain I am within my rights, I would like the Government to consider the future budget procedure. I have had an opportunity of talking to members from other territories, and they tell me that we are just stupid here. Of course, we knew that, but it is in making the particular regard to the way we handle our budget. They take their budget before their Standing Finance Committee before it is produced in Council, I believe, and I think we should examine that method, because if we are going to have these wrangles over each budget after detailed consideration, we shall always waste a lot of the time of this Council. I do suggest in all

[Sir A. Vincent] seriousness that, even if we do not alter the present system of consideration, every unofficial member of this Council should become a member of the Standing Finance Committee when the Estimates are being considered in conjunction with heads of departments, because I do say this in all seriousness, that unless you examine the budget in detail, unless you go through the Estimates line by line with heads of departments, you cannot know what it is all about. Of course, may be you have not been able to study it, you may not understand it, and I am afraid that the Press on this occasion have only had time to write a leading article on it!

I just want to touch on one or two points arising out of specific paragraphs in the report itself.

Paragraph 9. I attach great importance to the work that this committee is doing, and I am now going to quarrel again with the hon. Financial Secretary because he does not take any notice of what I say. In the budget debate I asked him how this committee was getting on, how the Health Committee was getting on, and the Education Committee, and outside the Council I asked: "Why did you not answer me?" and he said: "I was only dealing with important matters". I really feel it is a matter of opinion whether these committees are important, because I feel that they are very important and we should know what they are doing and, personally, I am very pleased that we appointed this Efficiency Committee, as although the Standing Finance Committee are accused of passing the buck, the Standing Finance Committee can only work so many hours a day and, after all, there are limitations to physical endurance.

Paragraph 24. This is the mystery of the report, I just do not understand it now, and if we are passing the buck by making the suggestion we have made for this investigation, it is because it will be quite impossible for the Standing Finance Committee to go into it.

Paragraph 26. I know that the hon. Chief Secretary and the hon. Attorney General disagree with me entirely, but I believe that while we have such extraordinary people on the bench to-day it is a fact that minimum penalties in this

country should be encouraged. The amount of time which is wasted by people giving evidence and the mass of work done by the police, and the accused gets off with a Sh. 5 fine; well, it just defests me. I will say this, that I am told that a magistrate will not convict if there is the slightest doubt, but surely when the evidence is there and a conviction does take place a minimum penalty should be enforced. That is my opinion, and I believe if that were done it would make things easier for the country, and I make no apology for repeating that.

Paragraph 27. I would like to say that we all have a high regard for the Commissioner of Inland Revenue, all of us, but cannot he trail some red herrings, and if ever there was a red herring in any report paragraph 27 certainly has the odour of it!

Paragraph 71. I am always very troubled about the plight of the inhabitants of these units because of the neglect which has taken place in the native lands of this country in past years, and I do feel that we are being asked to bear a very unfair burden to make up for those years of neglect. I do agree, however, that we must have a stronger Administration. I do agree, that we must get closer to the native population, so that the suspicions which are rife to-day can be removed in a reasonable manner and confidence restored.

Now, sir, one of the most irritating subjects we had to discuss was in regard to paragraph 89, that is lamina relief. We never seem to get any further on this, never, and I do hope that Government will make the most strict investigation into this. I have examined personally the scheme whereby the relief given to the individual, as far as I could judge during my visit, was a good system, but you know—I have not said this before—I am terribly afraid that quite a quantity of that footstuff eventually finds its way into the black market in neighbouring lands.

Paragraph 104. Salary scales for teachers. This is a very important paragraph, and I am surprised that nobody has drawn attention to the fact that we have other commitments besides those which appear in print, but the fact is that the whole of the salary scales and

[Sir A. Vincent] the whole set up in the Education Department has been disturbed by war conditions, so that we are losing, and have lost, some of our good people. Why should a man who is in charge of a school not get something for his responsibilities? But, I suppose, that, in some people's opinion, we should wait for the commission to report in three years' time, when we shall have no decent teachers left. (Hear, hear.) I have made my point about the Education Committee on the cost of education, which again arises in paragraph 108.

The next is paragraphs 127 to 129, Information Office. Well, I am exceedingly unhappy about this, and agree with the hon. member Archdeacon Beecher that somehow we are wrong, we are not getting value for the money we spend in this department. It is a great deal engendered by the suspicion which has arisen during the war, and I do feel that we shall have to watch this department very closely indeed to see if we are getting results. It is very difficult to judge except by the general behaviour of the people whether they believe what Government is putting across to them. As has been already referred to in this debate, we are anxious to get in closer touch with the African people through the African people themselves, but I am unhappy about the Information Office, and there are many paragraphs in this report to which one would have noted dissent or something of the kind, but it is long enough as it is. Naturally, I reserve the right to give my personal opinion in this Council.

The next is Public Works, paragraph 189. Now, if ever people were biased against any department I think they are against the wretched Public Works Department, if I may so term them, and I can assure them that when the present Director came up to explain his requirements, his legitimate requirements, to us there was that stolid, cold silence which is rather calculated to put one off one's stroke. But even with all the bias in the world one had to agree to what is in this report, otherwise the Director would have come back next year and had we said: "You have not done this or that" he would have replied: "It serves you

right, you did not give me the money for it". There is reason in everything.

The next is Police, paragraph 227. I do not know, I get disheartened sometimes by utterances on the other side on this question about repercussions and so forth. "A policeman's lot is not a happy one, especially in this country: From my own experience they appear to work, or are expected to work, 24 hours a day. I am not referring to the askari, who has his regular hours and points of duty and so on," but I am referring to the white European police fellows, and perhaps the Asiatics. Everybody who has a burglary rings up the police station and expects a white man to come along, and no hour is wrong for that, and I think there is a very strong case for these members of the Police Force who are employed under these conditions to have special terms as distinct from ordinary terms. But I would not say that those terms should go right through the Force, and the Prisons and the Forest Department, or the Public Works Department, and there should be a close examination between the hours of work in the Prisons Department as against the Police. Please do not tell me that if a man joins the police he accepts and knows what he is in for, because that is no argument at all.

Next is the Accountant General's Department, paragraphs 232 to 236 inclusive. I believe I am right in saying this—and I am certain the hon. Financial Secretary will rise on a point of order, rather than on a point of explanation—if I am wrong—but we are dependent on two departments or three departments, including the Customs, for figures which should guide us in this country in regard to development and so forth and so on, and one of those departments is the Accountant General's. In order to get his figures up to date—and I believe he is three months behind—am I right? Thank you!—we must give him more staff, although according to a number of people he should have no more staff. If we do not, we shall get our figures six months behind and we shall soon be working in the past, if we are not careful.

Paragraph 245, Price Control. I shall speak about this a little later, but there is no doubt about it, from my own

[Sir A. Vincent] knowledge and I believe from the knowledge of every member here to-day, if we had been able to get the men and enough men of the right type throughout this country, the cost of living in certain sections of the community would not be as it is to-day. We gave as little as we dared in order to see that one province in particular should be taken care of in that respect, but if we had given the Price Controller the sum which he considered necessary to enable him to do his job properly, I believe it would have been many, many times that figure.

Forest Department. I know I shall touch a little bit on D.A.R.A. here, but you must forgive me, because this is the only tangible asset that I can see that we can rely upon coming out of D.A.R.A., but it does raise the question, and no doubt it will be discussed very fully in the D.A.R.A. debate, as to what is the relationship between the ordinary budget and that of D.A.R.A., and I shall have a good deal to say in argument with the hon. Chief Secretary on the question of what is development expenditure and what is recurrent expenditure, and when does recurrent expenditure become development, or does it not? because it does concern the country a great deal and we must try and get it ironed out.

I have gone into a good deal of detail purposely, and I am now going to go into some more, and that is on taxation, paragraph 349. This is where I cross swords with the hon. Financial Secretary. It reads: "The committee felt serious concern regarding the present cost of living, which in its view constitutes a serious hardship to the lower income groups of all races, particularly to those in receipt of fixed salaries or wages whose incomes are below the level affected by income tax rates and allowances". How serious was that concern? Listening to the hon. Chief Secretary one got the opinion that it was just a phrase.

SIR GILBERT RENNIE: On a point of order, is he referring to my hon. friend the Financial Secretary?

SIR ALFRED VINCENT: I am sorry—I do not know quite who to apologize

to, sir. (Laughter.) I know they will both forgive me! How serious was that concern? It was exceedingly serious because it was made clear in the debate, especially by the hon. member Archdeacon Beecher, and in committee, that he was fully of the opinion that we at our end of the table were something like the Daily Mirror cartoon where they show you a very fat gentleman in a striped waistcoat and top hat who wants everybody dunned except himself, but I am sure I have since proved to him that that is not so.

It became abundantly clear that we must try to be constructive on this matter, and I went to a great deal of trouble, and other people did too, in Government Departments, to try and examine what could be done. Our greatest enemy in this country is the black market, there is no doubt about that, in every section of the community—some more than others—and it came as a matter of ordinary reasoning to me that if we could afford relief in rationed foodstuffs we were getting somewhere. I then went to the Director of Statistics and I said to him: "Now, could you please assist me in working out what relief would be afforded in figures. If we gave £100,000 to the relief of Asians and £100,000 to the relief of Africans? Curiously enough, I did not mention Europeans! Here is a document which is very short, and I am going to read it to you to show you that we did seriously consider this matter. It is headed: "Some notes on the application of a suggested subsidy to be applied for relief of taxation for the Asian and African communities of rationed foodstuffs".

"The problem," it reads, "is to estimate the effect of a subsidy on food of approximately £200,000 for one year only for the Asian and African communities. In these notes it is assumed that the subsidy is specific, and not on a *per capita* basis. (1) Application of subsidy to African standard food, i.e. maize. The consumption of maize by the Kenya civil population, plus the bulk of K.U.R. & H. purchases for 1945/46 was 990,000 bags of 200 lb. each. Present estimated requirements for 1946/47

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 100,000 bags. Let us assume a consumption of 100,000 bags with a subsidy of Sh. 3 per bag, i.e. one cent per lb. Does the total subsidy required would be 300,000 in terms of the individual African who purchases his own ration at approximately 5s 5 per month, this subsidy represents 42 cents per capita per month. Objections: (a) the per capita basis is very small; (b) any subsidy on maize will immediately be construed as subsidizing the European and Asian employer who buys his employees' posho; (Nees tuse.) (c) the one cent per lb. subsidy does not cover the large item of European rebel maize and a variation in price at source raises complications. (That is to show you how futile it is to subsidize this type of food in order to have any real effect on the cost of living of the African.)

Then the second paragraph reads:—  
 "Application of subsidy to Asian produce. The main problem here is to find some article in universal use on which to calculate the subsidy. Firstly, atta flour: over a period of one year (1944) 17,500,000 lb. of atta were consumed by the Asian population and to absorb 17,500,000 a reduction of 12 cents per lb. of atta could be effected, i.e. approximately a reduction of 50 per cent of present cost. This would represent a saving on a normal consumption of about 20 lb. of atta a month of Sh. 2/40 per head. Objections: (a) not all Asians eat atta; (b) among those who do use atta the minimum of purchases of atta to bread vary considerably between groups and even within groups.

(3) The subsidy can be allocated in whatever proportion is desired, but in no case will the objections listed above be overcome."

I was then greatly troubled because of the complications arising out of the Asian position. I could see that little relief per capita would be afforded by the direct subsidy. I then made enquiries of many Indians, and I formed the following conclusions, which I have checked up, and I am demonstrating how difficult it is to give relief, because of communities which within themselves have a very severe black market, and I do not think people quite realize the grave extent to

which the black market is destroying the economic fabric of the Colony and affecting the people of this country. I will now read the note I have here on this subject:—

"Native foodstuffs: commodity-controlled and rationed. Wheat, flour and sugar: most satisfactory and no hardship. Ghce: it is controlled, but we get sometimes 4 oz. or 5 oz. per week per head recently, although there is plenty which we can obtain by paying Sh. 100 per 36 lb. This commodity is most essential for vegetarians. Frying oil: this is controlled and being given cotton seed oil, which is not good for human consumption, and much more has been written in the Press. Simsim oil or groundnut oil is obtainable by paying Sh. 40 per tin, while controlled price is approximately Sh. 27. Rice: rice is controlled, but nobody gets it with the exception of children. This is our staple food and obtainable by paying Sh. 70 per 36 lb.: controlled price approximately Sh. 9. Pulses of all kinds: gram, tuvel dhal, mung, also millet. Prices have gone double in some and three times more in some commodities, due to export permits being given to traders." (That is an important point.) "These commodities are being used by Indians as well as natives. The above commodity is not controlled and if it is controlled nobody will get even by paying higher prices. (In conclusion, the cost of living for Indians has gone up 50 per cent more in 1946 than in 1944.) Gram is Sh. 20 instead of Sh. 8 in 1945. Tuvel dhal is Sh. 38 instead of Sh. 20, and millet is Sh. 20 instead of Sh. 10."

I was very disturbed about this, and I asked the Price Control officers how many complaints they had had, and they stated that they had had anonymous complaints, but no one had been able to bring forward specific cases. I said: "Well, why is that?" and I am answered by some of my Indian friends that it is because of fear of repercussions. You will see, and Council will appreciate that I did go thoroughly into this matter in order to try and arrive at a basis which we would work, but I have come to the conclusion that where the relief will have to be given is in customs duties on essential articles, which will reflect

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 a reduction in their retail price consequent upon the lower customs duty. Instead of getting a net amount of relief by subsidy you would get an increased amount of relief on the smaller cost because the figure of profits added would be smaller. But I think hon. members will agree that we are not passing the buck over it, because it was quite impossible in the time at our disposal to go into all these details and get hold of all the necessary Government experts and information.

Mention has been made of the rise in price to the primary producer, and it has been stated that perhaps the primary producer should be subsidized, not the consumer; I am against that. I believe our primary producers should get a fair price. If there is a subsidy, to be given it must be given to the consumer. I should like to deal with two points which have been raised. Maize has gone up to Sh. 17/50 a bag. Well, if ever any producer deserved Sh. 17/50 a bag of the product of maize in this country does. Members of this Council may not be generally aware that South Africa recently had to import three and a half million bags of Argentine maize and, according to the South African Press, that cost them Sh. 48 a bag c.i.f. Capetown/Port Elizabeth. I believe we have in this country the cheapest cereals produced in the whole of Africa. That is my opinion, and I believe I am correct. It might be asked why I did not get some figures on meat, and it was for this reason, that I was aware that there was a complete change over in the obtaining of supplies of meat, that we have now resorted to auctions throughout the country and that the rise which has been allowed (30 per cent or 33 1/2 per cent, or whatever it may have been) was fully justified, because when you have a willing seller and a willing buyer willing to give that price, and a great deal more, you cannot continue to requisition cattle from producers, be they African or European; you must give them a fair market and a fair price, and it is quite impossible to know how the meat position is going to settle down. In any case, it is not controlled, and therefore the question of giving relief on meat will have to be taken later when the position

emerges from obscurity. Some people may ask why we did not consider sugar as a basis for relief, but to me, of course, the rationing of sugar in this country at the present time is just one of the most farcical things we are doing, and it is no good advising any relief on something you believe yourself to be completely farcical.

Paragraphs 350 and 351: the question as to what, if any, action should be taken by Government to reduce the cost of living is far from easy of solution. Paragraph 351 is a very important one, but both of these must be taken in association with paragraph 355, which refers to the committee. I consider that it was only fair to expect the hon. Financial Secretary to say a good deal about paragraph 351, because we argued about this and we proved to ourselves that to put in any figure might be completely misleading to the country, and Government on the one hand (I have the figures here) suggested between £75,000 and £100,000, which is chicken-feed, and I stated that the very minimum, as a result of what I had seen, would have to be £300,000. But the force of this paragraph and the acceptance of it by the whole committee has not been brought out in this Council. I consider that, in order to tackle the high cost of living, we must be prepared to make very considerable—and when I say very considerable I mean a minimum of £300,000—reductions in customs duties to help the communities of this country. I think, in fairness to us, that that should have been brought out and not left as a paragraph here, apparently meaningless.

Paragraph 352 is factual. It is one of the paragraphs which have been criticized, but if we had not said it we should have been even further criticized for secreting information which we had at our disposal.

Now paragraph 353. This is probably the most criticized paragraph in the whole report, so far as Natorbi is concerned. In this Council in the last few sittings commerce has been challenged and I believe, as a commercial man, it is not my duty to try and protect commerce in a committee. This is the place where I should answer the charges which are made against commerce, and when

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I am challenged I prefer to come right out and fight and not to interfere with the wording of a paragraph in any way. It has been said, and figures have been produced, which make it look as if the commercial people of this country are giving the country a raw deal. Anyway, that is how I felt when it was mentioned. Another truth is this, that not only does this country pay the highest rates of income tax in the whole of Africa, but the commercial community are allowed the lowest rates of profits under Price Control in the whole of Africa.

My intention in agreeing to this paragraph going into this report was to have this matter fully discussed and ventilated. No doubt should exist in anybody's mind as to whether the commercial people of this country are in an unfair position in relation to the rest of the community, and I do not resent criticism, I do not resent the criticism which has been made, but I do think people should take the trouble to go a little further into detail and find out more before they make these criticisms. I have gone into this matter very carefully, and members of the Standing Finance Committee will remember that we asked the Price Controller to go into Schedule III, which is being done. First of all, there are two very important points that I want to make. The predominant wording in this paragraph—I will read it: "In so far as Price Control is concerned, the committee recommended that the margins permitted in respect of all essential articles should be reviewed with the object of revision in a downward direction where possible, particularly in view of changed circumstances, e.g. through the abolition of excess profits tax, etc. The committee further recommended that these margins should be kept under constant review". Now, sir, the great difficulty in this is to find out what is really essential, because to the trader certain lines of goods are essential, to the consumer everything is essential, and I do not think, with all due deference to any Government officer who has the power, I do not think the decision as to what is essential under the meaning of this paragraph should be left to one individual. I think

that we should try and get a committee, or an existing committee, who can fairly judge that position, as to whether any article is essential in the lives of the people of this country.

Now, sir, the abolition of excess profits tax. While I find it hard to follow Government reasoning, I think the hon. Commissioner of Inland Revenue is aware that there will be a great number of traders who will be entitled and who will receive repayments of money under the Excess Profits Tax Ordinance. The excess profits tax was withdrawn in order to allow industry to be consolidated and in some cases resuscitated. There may be some particular phase in some particular business, and I have tried to think of them, where the withdrawal of the excess profits tax will justify a lower rate of profit, but I do not know, and I consider that in fairness to the trading community that point should be thoroughly examined and that a statement in this Council should be made: As far as the prices being kept under constant review, I shall be very surprised if, as a result of this investigation, many profits have to be reduced, because in one particular you have for a group of imported articles a "factor system". Very few people have ever heard of the factor system. It is this: As your costs rise, the additional cost over the pre-war cost, you get a less profit on that amount and, very briefly, under the factor system where a pre-war profit of 50 per cent was taken the factor is .076. Therefore, 50 per cent multiplied by .076 is 38 per cent over the whole transaction instead of 50 per cent. I can assure you that, having had to deal with the Price Controller, if anybody can get away with a profit in which they are not entitled I shall be exceedingly surprised.

Paragraph 354. Of course you cannot force wages down, especially in specialized vocations, for you always get the extra money passed under the table. But, as I have suggested before, we should import further labour under specific conditions to get over the present position, and that is the only way we are going to do it. (Hear, hear.)

Paragraph 355: in association with paragraph 350, which refers to this committee. This committee, to my mind,

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has a more important function to perform than any committee in this country, and I do appeal to those men who are asked to serve on this committee to consent to do so. They have a great task. They have the task—and I hope the hon. Financial Secretary will correct me if I am incorrect—of reviewing not only the incidence of taxation, the question of evasion, the ability to pay of all the various communities, but also to make suggestions as to whether we can bear a sacrifice of revenue by other means: to reduce the cost of living in this country. This is not a small task, theirs is an all-embracing task, and it is a very difficult task, but we must be satisfied that the incidence of taxation is fair between communities.

Now I come to the point of income tax. I have heard people state over and over again in this Council that the people who are the hardest hit because of the rise in the cost of living are those groups below the income tax group. That is a generalization, and I will not accept it. I believe there is just as much hardship within the groups up to £1,000 who pay income tax as there is in those below it in a great many respects, and I want to say here and now that I took the trouble of working out the different income tax rates in five categories, from incomes running from £360 a year in separate examples up to £10,000 a year, and I do know what relief is to be afforded by the relief which has been mentioned by the Commissioner. That relief is not what one is led to expect when you read it, because it depends so much on the amount of insurance that a man can afford to take up. It presupposes that a man who gets £1,000 a year is able to afford to pay £167 a year for insurance. I cannot believe that. Therefore the allowances which are made under that head must in effect be considerably reduced, and if the allowance is reduced so is the taxation raised. On the question of children, that is a very excellent allowance and there is nothing against it at all. We have heard a great deal about allowances for depreciations, and so on, which in their turn will make a slight difference to the eventual receiver of dividends, but I sought means whereby

this Government could go to this country, and say "We realize, it has been proved to us, that at this moment it is quite impossible—quite impossible—for us to make up our minds how we can solve this dreadfully difficult question of indirect taxation", and naturally we would have accepted it because it is a fact, a fact even agreed to by the hon. member Archdeacon Beecher himself, but this is not so in respect of income tax.

I asked Government in this paragraph to make a gesture to this country, not a psychological gesture because, after the happenings of the last few weeks, I do not believe Government know the true meaning of the word psychological. I asked on the grounds of equity, and will give my reasons for it. People have got short memories, especially those who do not want to remember. In speaking to the budget debate I said the following, which I reiterate now and make no apology for so doing: "I do want to make it clear in very decisive terms that my colleagues and myself are certain that the European taxpayer is willing to support this country by paying taxation which is equitable and of such a nature that it is fair in its incidence. We as taxpayers are certain that income tax has not been so collected for the past five years and that assessments of arrears are very considerable. I am not going to argue about the amount, but I feel sure such arrears represent a very large sum of money, and this is why we consider it imperative that relief be afforded in income tax by the equivalent"—I repeat equivalent—"of one shilling reduction in the personal basic rate of resident individuals, and that personal tax, described by Sir Wilfrid Woods very truly as 'a crude supplementary income tax', be deducted from income tax, especially in the case of the lower income groups who require relief the most".

First of all, I had the feeling of this Council that they wished to have some gesture from Government that they would give relief in the lower income groups. My first suggestion was that incomes up to £1,000 assessed up to that amount should have relief of Sh. 1 in the £. I went to see the Commissioner, and he produced a graph which showed the curve then went straight up at this



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point and was not a fair gradual curve in income tax. I was then informed that there would be difficulties because he would have to consult the other territories as it interfered with the income tax as set up between the territories. Then I was also informed that if we asked for this at the present time the Africans would very justly say that they wanted something off their direct taxation, but I have never heard such a fallacious argument. It is not even based on any resemblance of truth, because has the native poll tax been raised during the war? I know that local native councils have voted money for their own areas and districts, and have done extraordinarily well in that way, but to speak about direct taxation of Africans *vis-à-vis* the direct taxation of the European or Asian is nonsense, as the latter has gone up three times since the beginning of the war, and in some cases four times, and if you refer to Vol. XXV of Hansard, Part I, column 40, you will see that the figures I gave then have never been refuted. It is the willing payer who has been the victim of the circumstances that the Commissioner of Inland Revenue has been unable to collect his taxation. It is the willing payer, and we are merely asking for relief now (hear, hear) and not psychological relief. I do think we have a right to ask it. You may not call it a cast iron case, but I call it a case which has all the reason and decency which can be given to it. One more point on this. Do not tell me it is racial, because for all members of all races who pay income tax we are asking for relief for them now, as I am asking for relief for all decent people who have paid.

What does paragraph 358 mean? We have had a figure quoted of between £50,000 and £60,000. That may be right or wrong. I am always chary of estimates because, as the hon. Commissioner pointed out to me, even in the case of insurance he does not really know what the cost of relief will be to the country, because he does not know the amount of the policies people hold and the premiums. Before, when the insurance allowance was £100, as soon as people got up to that amount in their declarations they did not trouble to go on and say how much further insurance they

held, so that it is quite impossible to give any amount. I am neither repeating nor asking any more than I asked in the original debate. If you read paragraph 358 you will see that I ask for this rebate, which does not interfere with the other territories at all in any way. It may make it a little more difficult for the hon. Commissioner, but surely that is what he is paid for. Then we say that the personal tax should be deducted from income tax. Then I go on to say: "The necessity for any further relief in income tax" (that is to say, the higher groups or the widows or bachelors) "shall be examined by the committee referred to in paragraph 355", and that committee will naturally report to this Council. That is the whole picture. We have not retracted, and we have not been unreasonable, and at this stage I would like to make this point very clear, that it was the intention of the hon. Members for Uasin Gishu and Mombasa and myself, as members of the Standing Finance Committee, to put in a minority note to the effect that unless this paragraph was agreed to during the debate we should have to vote against the adoption of the report. But we met our colleagues and discussed the matter fully, and it was thought that such a minority note might give the Government the excuse of saying that they had been threatened. We all unanimously decided, therefore, that if Government refused the request in paragraph 358 we would all vote against the adoption of the report. I was authorized to inform Government that we would adopt this course and that it was a unanimous decision. I duly informed Government that this decision had been taken by us. I feel that throughout this budget debate and this debate we have been entirely reasonable. We have not been provoked into any theatricals in any way whatever. We have gone the very limit to try and get good co-operation between the Government and the people of this country. Apparently at the moment we have failed, and I can only say the reason for the failure must be lack of intellect on the part of Government.

Now, sir, just one or two more points very briefly. I understand from the Member for the Coast that if anybody had got the idea that he did not agree

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with this proposal as a proposal for the relief of that particular income group temporarily, he would like me to disabuse the minds of Council; he does agree. During the meetings of the Standing Finance Committee, when we were considering the wording of this report, once or twice there crept into the draft report a reference to the high level of taxation which is going to be maintained, and it was taken out. We feel that Government have entirely ignored the essential feature of the examination of our fiscal position. I did show to this Council that we paid considerably more income tax than any other African possession. The hon. Commissioner rose and said: "Well I might know it, but, of course, other people might not understand that other countries had other taxes", but I can trace no attempt, probably owing to pressure of work, on the part of Government to try and ascertain from other territories what the amount *per capita* of population is that that they have to bear. We find it very difficult here to know where we are because we have no statistics, but you cannot brush aside the fact that if you are going, I was going to say fool around, to play around with income tax rates and keep on threatening people that high levels will have to be maintained, and so on, you are doing a great disservice to this country, because people will be quite uncertain whether to come here or not. I consider that the very limit of income tax has been reached. I consider I have proved it in my figures, comparing our income tax with other territories in Africa, that we pay far too much, and nobody has yet produced any figures to disprove that.

This question of taxation bids fair to cause a great deal of misgiving in this country. The hon. Commissioner yesterday was completely flat footed in his statement that "Well, we can run away and play"—that is the only way I could interpret his meaning. I know it is late, I know that at this stage of the debate it is very awkward for Government to do anything, but I consider that our case is irrefutable. I believe that the Government of this country owe it to the decent people who have not evaded

taxation to give them this relief, and say they will give this relief as an integral part of any scheme for the relief of taxation in this country. If they do not do so, I can say that this country will find it hard to believe that this Government has any intention of trying to co-operate with the people of this country and back those people who are willing to back them provided they get a fair deal.

I regret that I shall have to vote against the adoption of the report. (Applause.)

HIS EXCELLENCY: That, I understand, concludes the debate, except for the reply of the hon. member.

MR. BOWSER: Your Excellency, I should like to say a few words, and I am not going to take the time of the Council because I believe the case of the unofficial members on the Standing Finance Committee who signed the minority note contained in paragraph 358 has been very adequately covered by the hon. Members for Nairobi South and Mombasa, and any remarks I have to make I shall reserve for the next motion on the order paper. I might just say that I shall be very pleased to see the trend the debate takes when that motion is being considered. I must say that I express great surprise that the Government has been unable to accept the very modest demands put forward by ourselves, not on the ground of psychology but on the ground of equity, because in our view the hon. Commissioner of Inland Revenue and his department has signally failed to collect the tax that is legally due under the Income Tax Ordinance except that which is handed over and where people more or less came and said: "Here is the money".

For that reason I also regret very much that I shall be unable to support the motion.

MR. TROUGHTON: Your Excellency, perhaps I should make it clear straight away that the Government has in no way rejected this particular proposal for income tax relief which has been so eloquently pleaded for by my hon. friend the Member for Nairobi South and by other hon. members. All that we have said, when my hon. friend the Commissioner spoke yesterday, is that we do not feel able to commit ourselves to

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for reasons which I will give later on when I refer to this in greater detail, but I would ask hon. members to bear that in mind as a background.

First, I should like to express my sympathy and agreement with much of what the hon. Member for Nairobi South said about budget procedure, and I should be very glad indeed to participate in discussions with unofficial members as to how that procedure could be simplified and speeded up, because the fact is that on this side of Council the present procedure means that the senior official members of the Council are not, in fact, able to devote any appreciable amount of time, except in the night watches, to their normal day to day tasks connected with the running of their departments and running their jobs for a period say from the end of October until early February. So if we can speed up the procedure, I think I can speak for Government as well, we would welcome any speeding up that is practicable.

I am also grateful to the hon. Member for Nairobi South for replying to the criticism that the Government had underestimated the revenue and had underestimated essential expenditure. What he said was perfectly true, and he has left very little for me to add. There is no doubt at all that the original revenue estimates were too low, but they were prepared at a time when much less information was available than the Standing Finance Committee had before it, and we all fell—we were completely justified in writing them up. I cannot for the life of me understand why the hon. Member for Ukamba should feel that this underestimation had shaken confidence. It seems to me really that it should not do so. Surely the fact that the Government is willing and ready, in the light of later information, to admit that it was wrong in its original estimate, and to revise that estimate, and to agree to the revision, should, I submit, prove a source of confidence. It is difficult to have confidence in anyone who will never admit that he is wrong, but I think it is much easier to have confidence in someone who will admit he is wrong and is prepared to change his view.

The expenditure estimates, as my hon. friend the Member for Nairobi South said, were based on the simple process of endeavouring to cut the cost according to the amount of cloth which was thought to be available, and that is the procedure that has always been advocated in this Council and which I think is sound. Each Member and each Head of Department was told to estimate within a certain figure, and naturally, within that figure, they were not able to provide for all that they thought was desirable or necessary. What happened, of course, was that hon. members on this side of Council, some of them very eloquently, pleaded their case for additional expenditure before the Standing Finance Committee, and it so happened that the amount of cloth that was available had gone up, though I do agree with the hon. Member for Nairobi South when he said that expenditure and revenue were really considered independently. Nevertheless, I do not think that, had there not been more cloth available, some of the expenditure, desirable and even necessary though it was, would have found its way into the final estimates. That is the sum total of the position regarding the original expenditure estimates.

My hon. friend the Member for Aberdare expressed the view that this was really expenditure madness. I should prefer to call it ambitious expenditure, though I sympathize with the hon. member's point of view. There is this point, that most of the additional expenditure which has found its way into the budget is of a type that will lead, or will tend to lead, towards an increase in the national income and in the prosperity of the Colony. It is not going to be wasted money.

Closely allied with the question of our ability to bear recurrent expenditure is the economic position of the country and the economic policy of the Government, and I am indebted to the hon. Member for Nairobi North for bringing this point into relief. It is very important, and I am afraid I was not able closely to follow the points made by his friend the lecturer on Soviet Russia (perhaps he will lend me the book at some future time), but I did gather him to say that he felt Government should prepare a

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statement regarding economic policy and put it before this Council and the country. That is a matter that I will go into with the Economic and Commercial Adviser.

I should like to turn to a number of relatively minor matters.

First, the restrictions on traders' licences. We have a Trade Advisory Committee presided over by the Economic and Commercial Adviser. I am responsible for trade licensing policy to you, sir, but the Economic and Commercial Adviser tells me that this committee has under consideration a trade licensing system to replace the present one, and therefore I feel it is only reasonable that we should await the views of that committee before taking any drastic action, such as abolishing the present restrictions on traders' licences. It is quite true, I believe, that they have been abolished in Tanganyika and Uganda, but conditions in all three countries are not necessarily the same.

Mombasa water supply. My hon. friend the Director of Public Works tells me that he has already given the hon. member Mr. Patel the answer to his question, so why the hon. member raised the matter in Council I really do not know. Nevertheless the answer is that there is money in the estimates for an extension of the distribution system to the particular area the hon. member referred to, and I shall be happy to show him the reply after the debate.

Asian officers' family pensions. The scheme has been worked out on an actuarial basis, and Government gives it a flat rate subsidy. We are all against hidden subsidies, where they can be avoided, and I think it is perfectly proper that the cost of administration should be a charge against the fund. While on pensions, I have no desire to lead Council into a technical discussion on pensions. Dealing with the arguments put forward by the hon. member Archdeacon Beecher and the hon. Member for Mombasa, I disagree with their proposal, and I think most of their colleagues on the Standing Finance Committee disagree too, for one very good reason. There is no earthly justification that we can see for the present genera-

tion of taxpayers assuming an unnecessarily heavy burden. Think of the benefits which this generation of taxpayers will be passing on to the next—bluminized roads, remunerative forests (very remunerative) prosperous agriculture (I hope!), and so on. It is only reasonable that in passing on these valuable assets we should pass on a few reasonable liabilities, and one such suitable liability is the cost of non-contributory pensions.

Medical Department estimates, the hon. Member for Trans'Nzota's point. The division between a native and general services is really a bit misleading, in that the Africans benefit very largely indeed from the general services. The impression given by the division in the Estimates as it stands is that they do not benefit from them at all. Actually they benefit from the work of the laboratory, from public health services, and so on, and I personally think we would be well advised to rid ourselves of the distinction, which is misleading. However, it is a matter we can go into during the course of the year.

Soitik transport subsidy. I can give my hon. friend the Member for Nyanza the assurance for which he asks. I should hate Government to take any decision on a matter of this sort affecting the Nyanza Province without securing the views of the hon. gentleman and those of his constituents.

Housing. The hon. Member for Kiambu drew a vivid picture of the effect on the cost of living of black market rents and black market premiums in respect of housing accommodation in Nairobi. I have no personal knowledge as to the facts, but we will take the matter up with the Rent Control Board straight away. Meanwhile, I can give an assurance that any reasonable action which can be taken to enable the control of rents to be more strictly enforced will have the full support of the Government.

Police terms of service. I do not propose to deal in detail with the observations of the hon. Member for Nairobi North, but I would only mention this, that whether the hon. member likes it or not, the fact is that any revision in the terms of service of African police would certainly give rise to demands for

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a similar revision in respect of African prison warders. The Commissioner of Prisons, when he appeared as a witness before the committee, left no doubt in the minds of members on that score.

The Efficiency Committee and other committees: I must apologize to the hon. Member for Nairobi South for not dealing with the position of these various committees in reply to the last debate, but I had dealt with them in my opening speech at some length. However, I will mention them briefly now.

The Efficiency Committee. I had a discussion with the Chairman of that committee recently on the subject of its terms of reference, to which reference was made in the Standing Finance Committee report, and he told me that his Committee were happy about the terms of reference and he suggested no change, and said that an interim report will very shortly be in the hands of Government. That report will naturally take immediate steps to deal with when it comes in.

The Education Committee has not yet been appointed. A preliminary investigation was, however, carried out, with the co-operation of the hon. Member for Nairobi South in his capacity of Chairman of the National Park Trustees, by the executive officer of the Trustees, Colonel Cowie, who happens to be an accountant. We have now got Colonel Cowie's factual report and the way is clear for that committee to be appointed, and we propose to get on with it as soon as we can.

In regard to medical matters, a committee has already been appointed to go into the question of payment for medical services, but the appointment was made only recently and it has not yet got down to its task.

Cost of living. I do not want to take up much of the time of Council to deal in detail with the question of the price of meat and the price of maize, raised by the hon. Member for Nairobi North. The increase in the price of meat was approved in Executive Council, and was based on the need for paying increased prices to producers if meat supplies were to be maintained. The increase in the price of maize was also approved

in Executive Council, but in fact the present price of maize does involve a very big subsidy on the part of Government, and unless that price is further increased there will be a substantial debit to expenditure. It is perfectly true, as the hon. member said, that a six figure subsidy would be required to reduce the price of maize meal by one cent a pound. Actually the amount of subsidy in respect of meal at the moment cannot be clearly estimated, because it depends upon the extent to which we have in the event to mix wheat and other high priced cereals with maize in order to maintain the ration.

I must agree with the hon. Member for Nairobi North that the danger of inflation must be closely watched, and that is a fact which was very fully appreciated by the Standing Finance Committee, which went to some pains—to very considerable pains—to suggest ways and means of keeping down, or forcing down, the cost of living. I think there was possibly some misunderstanding behind what the hon. member said about wages. None of the members of the committee (I can speak for them all) had any desire or wish that the wages of tailors or artisans should be reduced to a level which would make it difficult for them to carry on, with the present cost of living, or which would not give them a reasonable standard of living. What they did feel was that every possible effort should be made to prevent wages becoming inflated owing to the facts of supply and demand; or in other words, as the hon. member Mr. Patel put it, that tailors and artisans should not be able to demand their own terms. We realize, of course, that wages control, without adequate labour, must in the ordinary way result in black market labour. It is the same old story when there is a shortage of labour, and that is one of the matters that must be taken into account in the course of the review suggested.

Price Control. Government warmly agrees with the points made by the two hon. members representing Nairobi constituencies that the Price Control must be concentrated on essentials. That is in fact the present policy, and here the question of whether a particular thing

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is essential or not is not left to one man. What happens is that, apart from a number of committees advising on policy, there is a committee under the chairmanship of the Price Controller which has representatives of both consumers and traders on it, and the various items in respect of which control has recently been suspended were decided on as a result of unanimous recommendations by that committee. I hope that it will be possible progressively to relax control on these items as and when they come into freer supply.

I agree that the question of margins of profits presents a very difficult problem, and I agree also with the hon. Member for Nairobi North that a reduction in the profits of merchants would lead to reduced revenue from income tax, but I think that would be a perfectly proper sacrifice of revenue if, in fact, it resulted in a substantial decrease in the cost of living. In so far as excess profits tax is concerned, a matter to which the hon. Member for Nairobi South referred, the reason why the abolition of excess profits tax justifies a review of profit margins is, I think, this, that the maximum price margins fixed by Price Control did in fact enable substantial profits to be made, otherwise the traders concerned would not have been liable to excess profits tax, and it is for consideration whether, now the tax has gone, the price margins can fairly be reduced. I should like to make it quite clear here that I do not think any person on this side of Council would be a party to a reduction in price margins which was not fair, and obviously fair.

Famine relief. There is little for me to say in amplification of what I said in opening the debate and in what the hon. Chief Native Commissioner said during the budget debate. The question has been asked as to why the Administration permitted an unsatisfactory system of distribution to continue for a number of years. I do not think that we can justifiably characterize the system of distribution, as unsatisfactory, but it might well be more satisfactory (laughter), and that is in fact (A member: Quite so, quite!) what the Provincial Administration is having to do, to

tighten it up as best they can resulting from this recommendation of the Standing Finance Committee report.

Before I leave famine relief, I should like to say that I do feel that drawing attention to the possibility of tightening up famine relief, the possibility of tightening up native poll tax collection, is a valuable public service rendered by unofficial members, because there is a tendency, I know, I feel it myself time and again, to pursue a policy of inactivity, and criticism of this sort is valuable, and is, it is all to the good, for it chivvies us up and makes us deal with these particular things which need constant review. (Hear, hear.)

On this question of poll tax, the hon. Member for Rift Valley raises the question of penalties. There is, of course, a legal penalty in regard to African poll tax, in that if an African is run for non-payment he can be, and usually is, mulcted for costs by the court before which he is run, only the costs go into the court revenue and not poll tax revenue. My advice is that many thousands of Africans are, in fact, mulcted of costs for non-payment of poll tax every year, but the penalty is not automatic, and I personally see no reason why an automatic penalty should not be imposed. I can remember when the question was raised in connexion with Sir Alan Pim's report twelve years ago, and was rejected then for reasons which I have not yet been able to establish. But I can give an undertaking that we will go into this penalty question in connexion with the general review of the native poll tax which we have undertaken to carry out.

That brings me to the question put by the hon. Member for Trans-Nzoi. The real fact is that, like the hon. member himself, the Standing Finance Committee were baffled about this question of native poll tax, and were not able to reach a firm conclusion on the information available, and decided to ask for more information. On the particular question of exemptions, when I spoke in the earlier debate I did not intend to imply that exemptions had risen automatically during the past year. What I did intend to imply was that the percentage of exemptions had risen progressively and steadily over the past

[Mr. Troughton] twenty years, and that I believe is the case. But, as the hon. member will notice, the Standing Finance Committee have asked that they should be provided with detailed figures, and those details will want a bit of getting out; they will take time, but I believe they will provide valuable information.

In so far as the means test, the point raised by the hon. Member for Mombasa, is concerned, the position is, of course, not that any district commissioner accepts any hard luck story by an African seeking exemption from the tax. He consults the chief as well as the local headman, and very often, I understand, there is a sub-committee of local elders whom the district commissioner consults before making his decision. I do not think that there is any reason to believe that these individual exemption cases are not examined with considerable care, though naturally some district commissioners would be more lenient than others in dealing with them. On the question of the missing ostaris, the estimates as now revised are £27,000 more than those originally submitted by provincial commissioners, but we felt that the estimates as originally submitted were on the low side. The fact is, I think, and I myself admit it, though it is against myself, that we in Nairobi really know too little about the details of the arrangements for the collection of poll tax in the various districts, and we propose to collect all the information we can straight away in order that we may know exactly where we stand with regard to this tax. I would only make this point: that arrears of this tax can be collected very readily, and I believe with the hon. Member for Rift Valley that there is undoubtedly some evasion.

Turning to taxation generally, and the proposed committee. The hon. Member for Nyanza, if I understood him aright, criticized the Government for not appointing this committee except at the instance of unofficial pressure. The Government's position in this matter has been quite logical. Sir Wilfrid Woods's inquiry was stated to have been largely a failure because he lacked adequate statistics. Steps are being taken now to get taxation statistics up to date,

but, as has been made clear by the hon. Commissioner for Inland Revenue during the budget debate, that will take a considerable time. In the Government's view it would have been preferable to postpone the inquiry of the type proposed until such time as full statistics were available. For that reason the Government did not on its own initiative propose the appointment of a committee, but the budget debate made it clear that unofficial members of the Council felt that such a committee should be appointed and should get down to its task without the statistics or with such limited statistics as could be made available, and obviously felt that it might succeed where Sir Wilfrid Woods had failed.

If it is clear, as I think it is, that it is the general opinion of the country that this can and should be done this year, the Government sees no reason why the committee should not be appointed and get down to its task. It remains to be seen how far it will make progress in the absence of adequate statistics, but I must say that Government will give the deliberations of this committee all the assistance it possibly can, and I should like to reinforce the plea the hon. Member for Nairobi South made this morning, that those people who are asked to serve on this committee, although it will mean many hours of hard work (and possibly thankless work), nevertheless that they will regard it as a public duty if they are asked to serve on this committee and will accept the invitation. (Hear, hear.)

The hon. Member for Nairobi South has taken me to task for my presentation of the Standing Finance Committee report, and I must say at once that I was probably wrong in not drawing attention to the very hard work put in by all unofficial members of that committee, particularly by the hon. member himself and the hon. member Archdeacon Beecher on the subject of indirect taxation. As the hon. member pointed out, they spent hours and hours on the subject; they made inquiries independently, we discussed the matter collectively, and there is no doubt that no more thorough investigation into the

[Mr. Troughton] possibilities of relief in respect of indirect taxation as well as in respect of direct taxation could have been made within the time available. The hon. member may have sat in committee for 100 hours, he may have worked for 100 hours outside, and probably thought for another 100 hours without actually working, and there is no doubt about it and I am very glad to rectify the omission from my original speech. Unofficial members, and I think official too, for that matter, did offer a tremendous amount of work on that committee, and there was no question of concentration on income tax to the exclusion of indirect taxation. Indirect taxation, as a matter of fact, took up more time than income tax.

The Government's position regarding income tax was dealt with to some extent by the hon. Commissioner for Inland Revenue yesterday, and it is only necessary for me to do a few 's and cross a few 't's. But first I would like to make one general point, and that is that Government has in no way stated that it will not consider any relief from taxation; on the contrary, if it can be established that a particular form of relief from taxation is necessary and desirable then Government feels that it is its duty to give that relief unless the granting of it is an absolute sheer impossibility.

On the particular question of income tax, it has been said that income tax is an easy tax to increase and an easy tax to decrease and that it was about time it was decreased. Of course it has been decreased, as the hon. Commissioner pointed out yesterday, and the legislation providing for decreasing it by the increases in these various allowances increases in these various allowances brought into force by an order of Your Excellency in Executive Council under recent temporary legislation. The total cost of that relief is, as has been said again and again in this Council, a matter of £200,000 a year, and in answer to the hon. Member for Aberdare, the cost of the relief proposed by the hon. Member for Nairobi South and his colleagues would, according to the best estimate the hon. Commissioner can make, be roundabout £60,000 a year.

Government, as I have said, has not closed the door to relief from taxation, but as this whole question is being examined by a committee, the Government feels that the proper course is to determine whether the hardship really exists and then, if that hardship really exists, to remove it.

It has never yet been proved, though it may be so, that the rates of income tax proposed by Government for 1947 constitute a real hardship which should be removed, though they may cause hardship, and they do, to people under £1,000 a year, because any writing out of a cheque to the Inland Revenue Department is a hardship! But Government will in no way refuse to consider relief in respect of income tax or indirect taxation or other forms of taxation if it can be established that it is really necessary, and its task is then to find out exactly where relief is needed, to find out how it should be given, and Government proposes to await the report of this committee. It is a question largely of timing.

Much has been said about the lower income groups, and the hon. Members for Nairobi South and Nairobi North spoke about this offset of personal tax against income tax as a proposal which would give relief to the lower income groups. Actually, it would give relief to the higher income groups, because in the case of the European community there are about 2,500 people who are above income tax level, and these people really constitute the lower income group in the European community. I think it would have been more logical if the hon. Member for Nairobi North had advocated the abolition of the personal tax altogether.

One more point. Hon. members have asked why the Standing Finance Committee, having recommended increases in the revenue estimates, did not forthwith recommend a reduction in taxation but proceeded to examine the extension but estimates and increase the expenditure estimate and increase the by. This has been largely dealt with by the hon. Member for Nairobi South. It is largely a question of priority, and I think it was necessary to get a picture of expenditure estimates to get a picture of what additional expenditure was necessary or what additional economics

[Mr. Troughton] could be effected before getting down to the question of taxation. The increased expenditure was not approved lightly, as the hon. Chief Secretary made clear yesterday—it was approved after very careful and prolonged consideration.

I am sorry that it has been necessary for Government to take a line in this debate which may, though I hope it will not, cause a division on this motion, more especially as it would be the first division that we have had on the budget motion for many years. When you come to think of it, sir, the cause of the difference is really very small. (A member: No.) Yes, it is. (SIR A. VINCENT: Why not give it then?) The European members want Government to commit itself to certain tax relief forthwith, even though that relief could not be effective until the 30th September. The Government recognizes, and I think I have made it quite clear in this Council, that legislation, if introduced before and if passed before the 30th September, would be in time; a committee is about to be appointed to consider this and other connected questions, and it would, in Government's opinion, be entirely illogical to commit itself to any particular reduction from whatever section of the community which has put it forward, before it has had advice from that committee. It is the Government's earnest hope that further relief from taxation will be possible, and that where real need for relief from taxation exists that that relief will be given, and nothing short of an impossibility will prevent relief from being given when it is established exactly who should be relieved, and how.

That, sir, is what we look for from this committee, and it is therefore with a clear conscience that Government feels it can ask all hon. members of this Council to vote for this motion.

HIS EXCELLENCY: Before putting the question, there is one observation I should like to make. I am not at all sure that I shall not find myself out of order (Laughter.) But it is on a subject that other members have mentioned in which I am interested personally. It is a matter of the dearth of skilled labour.

I know there is an acute dearth of skilled labour, and there is little doubt

that there is a good case for facilitating the immigration of more skilled labour, but I would make an earnest appeal to everybody to do their very best to help the emerging African skilled and semi-skilled labour to get into employment. (Hear, hear.) They suffer under great disadvantages at present in that many of them are unable to take contracts of any size and very few can read complicated blue prints, but it is a fact that an enormous lot can be done with the available African labour if people will approach it from the point of view not that "That is an incompetent man", but that "This is a reasonably competent man anxious to be more competent", and with sympathy and understanding it is surprising what extensive buildings can be put up, if that line is taken. I felt as hon. members were speaking in the debate that I ought to say that, because there is now emerging a class of African artisan, not yet comparable in many cases with European or Asian artisans, but a man who, if given sympathy and help, can go a very long way, and I should myself be very loath to see any openings for him obstructed by importations. I felt I should say that, because I feel so strongly about it. (Hear, hear.)

The question was put and carried by 25 votes to 10. Ayes: Archdeacon Beecher, Messrs. Blunt, Boyd, Major Cavendish-Bentick, Messrs. Cocker, Cooke, Hunter, Hyde-Clarke, Johnston, Marchant, Mathu, Dr. MacLennan, Messrs. Mortimer, Mundy, Patel, Patrick, Dr. Rana, Sir Gilbert Rennie, Sir R. E. Robins, Messrs. Robbins, Stacey, Foster Sutton, Thornley, Troughton, Willbourn. 25. Noes: Messrs. Bowyer, Edey, Major Joyce, Major Keyser, Messrs. Nicol, Trench, Vasey, Sir A. Vincent, Mrs. Watkins, Mr. Wright, 10. Absent: Mbaraki Ali Hinyaw, Mr. Priyam, Sheriff Abdulla Salim, Mr. Thakore, 4.

#### D.A.R.A. DRAFT ESTIMATES, 1947

##### STANDING FINANCE COMMITTEE REPORT

SIR GILBERT RENNIE: Your Excellency, I beg to move: That the Standing Finance Committee Report on the Development Committee Report and on the Draft Estimates of Revenue and Expenditure of the Development and Reconstruction Authority for 1947 be adopted.

[Sir Gilbert Rennie]

"As Chairman of the Development Committee, I am very pleased that the Standing Finance Committee has found itself able to recommend the general acceptance of the Development Committee Report. The position of the Standing Finance Committee in this matter is made clear in paragraph 10 of this report, in which it states: "Subject to the foregoing paragraphs and to the proviso recommended by the Development Committee itself in regard to flexibility in carrying out the development and reconstruction programme, the Committee is in general agreement with the recommendations of the Development Committee and considers that the report provides a sound basis on which to plan the Colony's development over the next nine years. It therefore recommends the general acceptance of the report".

Hon. members will observe that that general acceptance is qualified by a reference to the foregoing paragraphs of the report, and one of the most important qualifications is contained in paragraph 3. At the end of the first sub-paragraph of this paragraph reference is made to the point in this way: "The Committee . . . wishes to lay stress on the point that the rate at which the programme can be carried out will depend very largely on the ability of the Colony, year by year, to bear the consequential increases in recurrent expenditure". That is the qualification to which reference is made in paragraph 10 of the report. The other qualifications are contained in paragraph 8, in which reference is made to the development of African education, and in paragraph 9, in which reference is made to forestry. I will deal first with the qualification contained in paragraph 3.

In the course of my speech on the Draft Estimates I referred to a misapprehension which appears to exist in certain quarters that, if the Colony provides out of its ordinary revenue £300,000 a year, it is doing all that is expected of it in the light of the recommendations in the Development Committee Report. I pointed out in that speech that the implementation of the Development Committee Report implies a good deal more than that. It implies that, year by year, as various recommendations are implemented, the Colony's ordinary

budget will have to be to such extent as is found practicable, year by year, the consequential increases arising from the implementation of the development programme. That is the point that is brought out, I think, very clearly in the second sub-paragraph of paragraph 3. Since that sub-paragraph was worded very carefully, I will take the opportunity of reading it here, so that all members may refresh their memories once more: "The Committee would be failing in its duty if it did not invite particular attention to this point. It does not wish its endorsement of the views of the Development Committee in regard to the provision of finance to be taken to mean that it considers that the Colony must make available, in bad times as well as in good, the funds required for consequential increases in recurrent expenditure. The development programme envisages capital expenditure spread over a period of years, with consequential heavy recurrent expenditure".

That is an important point, and the Committee felt that it must make special reference to it. The view of the Committee, in other words, is that, although it has accepted the main programme of development recommended by the Development Committee, the rate at which progress can be made must depend upon the financial circumstances of the Colony year by year, in so far as the Colony's ordinary budget is able to bear the consequential increases that arise from the implementation of the report. It went on to make it clear that in good times it should be possible for the Colony to bear carefully controlled increases in recurrent expenditure arising from the implementation of the programme; in bad times, if such arise within the period of the development plan, the Colony may not be able to bear increases in recurrent expenditure to the same extent, and it may become necessary in such years to curtail or even suspend the next stages of the development programme. That is an important sentence—"It may be necessary in such years to curtail or even suspend the next stages of the development programme". In other words, the Committee felt that, in bad times, the Colony could or should embark on the next stages of the development programme, the Standing Finance Committee and this Council should be certain

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that the money would be available, as stated here, to curtail the next stages of the development programme.

The third point made in that paragraph is in the last sentence: "In such an event, the completion of the programme would take longer than ten years, unless circumstances permitted an acceleration of the final stages after the period of financial stringency had passed". If the period of financial stringency was of short duration and if a period of prosperity followed, it might be possible in that period of prosperity to make up for lost time by finding additional funds to speed up the programme.

Closely connected with the provision of money in the Colony's budget for consequential increases is the question of that £300,000 provision to which I referred earlier. Hon. members will see reference to that in paragraph 6: "The Committee invites attention to paragraph 23 of the Development Committee Report and would observe that, in its view, the remarks made in the second sub-paragraph of paragraph 3 above apply with equal force to the Colony's proposed contribution of £300,000 per annum to the Development and Reconstruction Fund". That, I think all hon. members would agree, is a natural corollary to the remarks made in paragraph 3. In other words, if at any time during a period of financial stringency the Colony is doubtful about being able to bear the expenditure arising from the next stages of the development programme, it may become necessary not only to provide a rather smaller amount than would otherwise be given for the consequential increases part of the expenditure, but even to curtail its contribution, which it was suggested in the Development Committee Report should be £300,000 a year, to the Development and Reconstruction Fund.

I would refer to paragraph 7 in which the hon. member Archdeacon Beecher has made certain suggestions which, in his opinion, would enable the development programme to be carried on to a very large extent, in bad times as well as in good. These proposals in paragraph 7 merit careful consideration by this Council, and I hope hon. members will take the opportunity of expressing their views.

I do not at this stage propose to do more than invite attention to them, except as regards the first sentence of paragraph 7, in which the hon. member states that he "is not of the opinion that a development and reconstruction programme with an upper financial provision of the order of £15,000,000 over the ten-year period can achieve the goals set out in paragraph 9 of the Development Committee Report".

As Chairman of the Development Committee, I entirely agree with that first sentence. The point is brought out in paragraph 235 of the Development Committee Report, in which the statement is made: "A study of the reports of the various sub-committees and a comparison between the programme recommended in this report and the requirements of the Colony as set out by the sub-committees indicate clearly that the plan now advocated is, to say the least of it, inadequate to the Colony's needs". The proposals that the hon. member makes in the later parts of paragraph 7 indicate what steps should in his view be taken to ensure that the development programme, even on the present inadequate basis recommended in the Development Committee Report, should go steadily on. I hope he will expand these proposals in speaking to this motion, because I am sure hon. members would like to hear a little more about them than is contained in this paragraph.

Paragraph 4 of the report is also of great importance. Members of the Standing Finance Committee were strongly of the opinion that, in order to control the rate of development recommended in the report, it was essential that heads of departments, especially those who are most closely concerned with the development plan, should prepare a statement showing their estimate of the consequential increases in expenditure, year by year. So far back as last July I suggested to heads of departments that a statement of that sort was, in my view, essential. I have not been able to ascertain within the past week or two to what extent all these statements have been prepared, but I know that in the case of one or two departments, they are already awaiting examination. These statements will come before the Standing Finance Committee, I hope, at a reasonably early date. The

[Sir Gilbert Rennie] will then see what consequential increases in recurrent expenditure are involved in the estimates prepared by heads of departments, and the Standing Finance Committee will then be able to see whether in fact the rate of progress is in its view reasonable, or in some cases, shall we say, unnecessarily slow; in other cases unnecessarily fast.

Paragraph 5 brings to notice a point that is sometimes overlooked, and that is that "even if there were no development plan, increases in recurrent expenditure in the Colony's ordinary estimates on account of expanding services would inevitably occur in the future, as they have occurred in the past, and that it is to the advantage of the Colony that such expansion should be carefully controlled and co-ordinated within the framework of a comprehensive development plan, rather than be allowed to proceed in what might almost be called a haphazard manner". When readers see that figure of, I think it is, £1,183,000 mentioned in paragraph 232 of the report as the total of consequential recurrent expenditure at the end of the ten-year programme, they, in some cases, are apt to be alarmed. What one should bear in mind as regards that figure is this: that if there were no development plan and if recurrent expenditure followed the course that it has been following for a good many years now, and quietly—in some cases not so quietly—stepped itself up year by year as requests for additional services were made and such additional services were found to be necessary, we should find, perhaps even within the ten-year period, that the increases in recurrent expenditure would be in excess of that figure of £1,100,000. So do not let people imagine that, as the result of the implementation of the Development Committee Report, we are going to have £1,100,000 additional recurrent expenditure thrust upon us.

The short fact is that it is much better to work on a development plan extending over a period such as ten years and to control the consequential increases in recurrent expenditure year by year, as we can do if we adopt the suggestions of the Development Committee and the Standing Finance Committee on the report. It is much better to work in that way on a closely controlled and closely

co-ordinated plan, controlling year by year your increases in recurrent expenditure, than it is to allow recurrent expenditure, as it has done over a good many years now, to go up, as I say, sometimes quietly, sometimes not so quietly, year by year, in an unco-ordinated fashion. I know from experience in other countries that it is a difficult matter to make sure that all your departments are advancing steadily and properly, if you are not working to a plan. My own system in another colony was that, if one department, say the Medical Department, increased its recurrent expenditure by, say, 10 per cent one year, and I found it was getting rather out of line with the general increase which I thought desirable as regards such departments generally, I did not allow the Medical Department to go up by another 10 per cent in the following year. I admit that that is a haphazard method of doing things, compared with the proposals made in the Development Committee Report and in the Standing Finance Committee Report.

I hope, therefore, that hon. members will appreciate that this £1,183,000 referred to in paragraph 232 of the Development Committee Report is not, as I have mentioned earlier, consequential increased recurrent expenditure arising solely from the plan and not arising in the ordinary course of events. I do not for a moment say that at the end of the ten-year plan we shall find that that figure is an accurate one; what I do say is that it is the best figure we can produce after going into all the plans produced by heads of departments.

A point I think I should mention here, too, is the point made in paragraph 23 of the Development Committee Report regarding the item of £300,000 as the Colony's annual contribution, we hope, to the Development and Reconstruction Fund. People say "Why should the Colony contribute £300,000 a year to the Development and Reconstruction Fund? It is a very large sum of money, and it is too large a proportion of the Colony's revenue". The point is already answered in paragraph 23 of the Development Committee Report, and the answer is that the D.A.R.A. Estimates take over in their very nature a considerable amount of expenditure year by year that would be carried on the



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Colony's ordinary budget, especially under the heading Public Works Extraordinary. In ordinary good times I think it would be appropriate for this Colony to spend something like half a million or £600,000 a year on Public Works Extraordinary. Do not think that Public Works Extraordinary refer to buildings only, do not have that particular be buzzing. It refers to many things outside buildings, and any hon. member can refresh his memory by looking up the appropriate heading in the estimates. A good deal of money goes into water supplies, a good deal of money goes into roads, and the short fact is that in developing the Colony, to spend half a million a year or even £600,000 a year on Public Works Extraordinary is not too large a sum. D.A.R.A. Estimates take over a large part of that expenditure, and as a result of that taking over the Colony's estimates are relieved of a large expenditure year by year. In the circumstances, as pointed out in paragraph 23 of the Development Committee Report, it is only fair that the Colony's ordinary estimates should make a contribution somewhere in the region of £300,000 to the Development and Reconstruction Fund.

Now I come to the second qualification the committee has mentioned as regards its general acceptance of the report. That is contained in paragraph 8. Hon. members are aware as regards the proposals in the Development Committee Report in respect of the development of African education, that the Development Committee proposals have been considered at the Colonial Office and are still under consideration at this end. In view of the fact that report of the sub-committee of the Advisory Council on African Education has not yet, so far as I am aware, been considered by the Advisory Council itself, the committee felt that it could properly await the result of the examination and consideration before it came to any final conclusion on the report.

The third qualification is dealt with in paragraph 9, as regards the Forest Department. The committee there wishes to draw attention to the fact that the acceptance and implementation of the recommendations of the Development Committee will involve a sub-

stantial increase in the Colony's recurrent expenditure in 1948 and later years. The increase would be set off, to some extent, by the cessation of the contribution to the Replanting and Development Fund, and by the crediting of all Forest Department revenue to the Colony's general revenue.

I do not want any misunderstanding to arise as a result of the recommendations of the Development Committee in respect of forestry development. It is a point to which I referred in my budget speech, but I would merely repeat briefly again that if the recommendations of the Development Committee in respect of forestry are accepted and implemented, it will mean that the Colony will have to bear a considerable increase on its ordinary estimates as regards the recurrent expenditure of the Forest Department. In this country for a good many years we have had critics of the Forest Department, and I think that in recent years the view has been held very widely that one thing the Colony should do is to develop its forestry estate. The Forest Sub-committee of the Development Committee went into this matter. They have published what I regard as an excellent report, but when the Development Committee came to consider that report it simply could not see where the finance suggested in, I think, the third part of the sub-committee's report was to come from. After going into the matter at great length, the Development Committee devised what it thought was a method of achieving almost completely the objects of the sub-committee at a cost that was much less than that suggested by the Forest Sub-committee, but since there appears to have been some misunderstanding on the point, I wish to make it clear that the recommendations of the Development Committee in respect of forestry mean that the development suggested in the report will not all be paid for from the Forest Development and Replanting Fund.

When that fund was started a few years ago, we all considered that it was a most useful fund to have against which we could charge expenditure on the development and replanting programme of the Forest Department in the post-war years. Well, that fund comes to some £400,000, and the short fact is that £400,000 will not go as far as we

(Sir Gilbert Rennie)

had originally imagined in implementing the various recommendations regarding forestry development, and the proposal of the Development Committee is that the £400,000 now in the fund should be used for what we call in the Development Committee Report capital expenditure, and that the consequential increases in recurrent expenditure arising from the implementation of the recommendations should be borne by the ordinary budget of the Colony. I would merely say this, that in view of the opinions expressed in recent years on the value of forests to this country, we should regard expenditure on forests—even although the insurance premium may be regarded by some of us as a little high—as a very wise endowment policy, a very wise long-term investment, in other words, which will bring in most useful revenue to the Colony in years to come. (Hear, hear.)

So much for the Development Committee Report. As I stated earlier, I am very glad that the Standing Finance Committee found itself able to recommend a general acceptance of the report, subject to certain important qualifications.

Turning to the D.A.R.A. Estimates, from paragraph 11 onwards, I do not propose to do more than touch on some of the most important points.

Paragraph 12, I think, is a very reasonable recommendation in view of the importance which I have already referred to of this consequential increase in recurrent expenditure. Paragraph 13 is also important, in which the hon. member Archdeacon Beecher asked that the Development and Reconstruction Authority should give further consideration to the possibility of drastic reduction in building standards, and the possibility of a much more extensive use of temporary and semi-permanent buildings, and he stressed certain points in that connexion. So far as D.A.R.A. is concerned, it has already given a good deal of consideration to the first point as was, I think, mentioned by one or two hon. members in the course of the recent debate. As regards the second point, that at the present time I think is a recommendation to which the Authority must give the closest consideration. In view

of the present shortage of permanent materials and of highly trained staff there is bound to be a good deal of delay in the building of some of the more important buildings mentioned in the Development Committee Report, and I have been going recently into the question of police buildings in particular.

As I mentioned earlier, the amount allowed for police buildings in the Development Committee Report is entirely inadequate when one has regard to the requirements of that department as regards buildings, and when I was dealing recently with figures showing the cost of constructing some new police stations that have been approved in certain areas it occurred to me that we could not go very far if we had to build new police stations at the rate mentioned there; that is to say, the rate as regards costs of construction mentioned there, and in cases of that sort it seemed to me we should for the present at least, make full use of temporary or semi-permanent structures.

In other words, where it is necessary to erect houses we should give the more senior members of the staff good permanent buildings, but for the time being, at least, in order that the improvement in building may not be confined merely to one or two new police stations but may also be applied to some of the old, for the time being at least we should build some quarters for the rank and file in, shall I say, mud and wattle or perhaps burnt brick with mud mortar, or something of that sort. In any case, what D.A.R.A. will have to go into with the member concerned is this question of building a suitable type, as has been suggested by the hon. member Archdeacon Beecher, of temporary or semi-permanent buildings in a good many of its schemes. I have already consulted the heads of departments most closely concerned and asked them to give consideration to this matter, especially as regards projects such as teacher training or the training of agricultural staff or medical staff where, if we had to wait until permanent buildings are erected, we shall be losing valuable years.

The next paragraph to which I refer is 17, which deals with the question of African liaison officers. This is a most important recommendation, and it is one

[Sir Gilbert Rennie] the that Standing Finance Committee wholeheartedly supports. Hon. members will observe that reference is made to the need for very careful selection; and I hardly need stress that point. We want men of the right type, who will put their whole heart and soul into this work. If we have not got men prepared to work hard and be enthusiastic in the cause, then we shall do better without them. (Hear, hear.) The necessity for work of this type is, of course, not overlooked in the Development Committee Report itself, and I would merely invite attention to the second sentence of paragraph 30 in this connection, which reads: "The Committee would stress the point that unless the African mind can be brought to the pith of being able to comprehend the broad requirements of a rehabilitation and development programme and, more particularly, unless the principle that 'all must work' can be brought before the African in a convincing and effective way, there is no alternative to economic disaster." I have already consulted the hon. member Archdeacon Beecher and his colleague as regards the personnel for these new appointments, and I hope that we shall soon have a few names and that the people who are thought fit will be able to accept the offer.

Paragraph 23 refers to an increase in the staff of the Town Planning Adviser. I think I should make it clear that the calls on the services of the Town Planning Adviser at the present time are such that he finds it impossible to comply with all of them. So far as the Development Committee is concerned, I considered that he should have additional assistance, but the figure put in the report, namely £2,500 per annum for three years, has been found in fact to be an under estimate. I must take responsibility for that, because in arriving at that figure of £2,500 I had not paid sufficient regard to such things as cost of passages, leave, gratuities at the end of service, and that type of thing. I therefore suggested to the Standing Finance Committee that, in order that the Town Planning Adviser might have at least a minimum of additional staff, we should make provision for an additional post of Assistant Town Planning Architect. If that recommendation is accepted, the Town

Planning Adviser will then have the services not only of a Town Planning Assistant, but also of a Town Planning Architect, as mentioned here.

Now that we have a Town Planner, a great many people are finding his services useful, but I would merely make this point; that it is quite impossible for him, even with the assistance suggested here, to town plan all the towns and townships in this Colony within twelve months. So far as the Development and Reconstruction Authority is concerned, it does not want urgent schemes to be held up, because some particular area has not been closely town planned, and so far as I am concerned, I have in one or two cases recently said that the siting of an urgent building should be carried out by the old method, namely, a sitting committee on the spot. In that way I have, I hope, enabled a project to be advanced rather than have it held up until the Town Planning Adviser, with his inadequate resources, is able to deal with it.

Paragraph 24 deals with a matter to which reference is made in the Development Committee Report, and I need not mention that further.

So far as paragraph 26 is concerned, I have dealt with that already. I was happy, when the Forestry Adviser to the Secretary of State was here recently, to hear from him that he supports the Development Committee Report in respect of forestry development, and I am sure that with his experience and with his knowledge of the subject, his opinion is most valuable, and I feel I can now stress all the more confidently the need for getting on with this forestry development, in the light of my discussions with him.

In paragraph 30 there is a reference to electrical installations, and perhaps a few words are necessary there. Some time ago my hon. friend the Postmaster General discussed with the Development and Reconstruction Authority and my hon. friend the Director of Public Works the question of electrical installations in the various buildings that form part of the development programme, and we came to the conclusion that it was necessary now to indent for a good deal of the material, and that it was

[Sir Gilbert Rennie] necessary now to try to recruit additional staff. We know that private enterprise in Kenya can attend to a certain amount of the work, and our programme is based on the assumption that the electrical section of the Posts and Telegraphs Department will carry out one-third of the work. I would mention in this connection that it is the intention of the hon. Postmaster General to see that Africans are trained to do a great deal of this work, and they will be trained in the first place under skilled electricians who, we hope, will be recruited from the United Kingdom.

In paragraphs 31 to 36 reference is made to a number of aspects of this most important subject of reconditioning African areas and African re-settlement. In paragraph 31 the Committee refers to the need for some changes in the present organization and procedure, and I learned from the hon. Member for Agriculture that that reorganization was receiving his attention and the attention of the Government. As regards the question of periodical reports which is also referred to in that paragraph, I understand from my hon. friend the Member for Agriculture that it is his intention to publish half-yearly or quarterly progress reports which will be available to hon. members and, I presume, the general public.

I do not propose to say much more on this subject at this stage. Perhaps the matter will be dealt with by other hon. members, and I would merely say this from my own knowledge of the subject; that progress at the present time may appear to be slower than some of us would like. But those of us who have seen some of the difficulties connected with this question of the reconditioning of African areas and African re-settlement realize that, although progress may be slow now, it may be all the more sure and all the more rapid later on, provided that we are sure that the progress is setting off in the right direction, and that it is a matter that requires most careful investigation in the first place. I am well aware of the many steps that have been taken at the instance of my hon. friend the Member for Agriculture and he, like myself, is only too well aware of the fact that the public of this country is looking for results, but I would sug-

gest that it is more important that we should make sure now, by going into the matter with the greatest care, that the results will be satisfactory and not such as might require a great deal of the work to be done over again.

As regards expenditure head 14, Buildings, there is little that I would refer to there, except to say, as I said in the course of my budget speech, that there is no provision in the Development Committee Report for certain items that have since been found to be necessary. I would refer in particular to paragraph 40. Paragraph 39 might come into a similar category as regards the additional expenditure required, and so might paragraph 38. Paragraph 33 recommends the insertion of important items, and I would merely mention that those items are in accordance with the recommendations of the Development Committee Report. Paragraph 44 refers to the important matter of health centres. We have not touched this matter at considerable length in the Standing Finance Committee and came to the conclusion that, if a beginning were made in 1947 with three large centres, we could see how this work progressed and decide on the later stages of this particular programme in the light of events.

In paragraph 45 reference is made to the urgency of obtaining a new site for the African police lines, Mombasa, and, so far as the Development and Reconstruction Authority is concerned, it will do its utmost to see that this project is taken in hand as soon as possible and that it is brought to completion. I am not at the moment in a position to say exactly what has been done as regards the site. I spoke to my hon. friend the General Manager to my hon. friend the Member for Health and Local Government, who perhaps later in the course of the debate, will be able to tell us what the position is as regards the site.

Paragraph 46 refers to various projects, and I would merely mention that the provision for these projects, which are in accordance with an approved plan referred to in the Development Committee Report, were omitted in the first instance.

That brings me practically to the conclusion of my remarks. I would merely add two tributes.

[Sir Gilbert Rennie]

The first is to the members of the Committee itself. We in Kenya attach great importance to the work of committees. That work is nearly always arduous and, as has been indicated in another connexion this morning, it is sometimes thankless. We have a number of committees before us in this year 1947. Where we are going to get all the personnel from I do not quite know, but I do hope, as has been mentioned earlier, that those who are invited to serve on these committees will be able to find the time to do so. So far as membership of the Standing Finance Committee is concerned, in my view it is a committee that does most valuable work and meets more often than most committees in this Colony, and those who accept membership of it know that they are not going to have a very easy time. I would therefore like to pay tribute to the unofficial members on the committee who, as has been mentioned earlier, devoted a great deal of time, and took a great deal of trouble in considering these two reports that we are dealing with to-day, or rather the Development Committee Report and the D.A.R.A. Estimates.

Finally, I think it is appropriate to mention that the Clerk of the Standing Finance Committee has a very difficult task indeed, and I think I should be failing in my duty if I did not pay a tribute to the valuable assistance that he rendered to the committee in the preparation of this report. Reference has already been made to the Government Printer's good work, and I should like to endorse that. The Government Printer, at the time when these reports are under consideration and are suddenly thrust upon him, has not a very easy task, and I think it is greatly to his credit that year after year he gives us our Standing Finance Committee reports, turned out at such short notice and with so few mistakes. (Applause.)

Mr. THORNTON seconded.  
The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 9.45 a.m. on Friday, 31st January, 1947.

#### Friday, 31st January, 1947

Council assembled in the Memorial Hall, Nairobi, at 9.45 a.m. on Friday, 31st January, 1947. His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.) presiding.

His Excellency opened the Council with prayer.

#### VALEDICTORY

##### RETIREMENT OF CHIEF NATIVE COMMISSIONER

HIS EXCELLENCY. Owing to the necessity of taking advantage of an aeroplane leaving to-day, the Chief Native Commissioner is not in his seat this morning, and I cannot, therefore, wish him in person on behalf of all of us who good fortune in the very important work he is taking up as Director of Labour in connexion with the groundnuts scheme, but I feel sure that his members would wish me on their behalf to express our warm good wishes to him at the first opportunity.

Mr. Marchant has had long East African service, mostly in Kenya, and has proved himself to be a faithful, loyal, and fearless public servant. It is, perhaps, not as generally known as it should be how gallant and important a part he played in that part of the Pacific war when our fortunes were at their lowest ebb and the tide of Japanese aggression was flowing forward seemingly irresistibly. Mr. Marchant and a handful of officers remained resolutely at their posts, or in the adjacent jungle, and kept the flag flying in face of fearful dangers. When I saw him first in the perimeter at Guadalcanal he was in very poor health, and I had to compel him to take a short rest, but he insisted on returning very soon to the battle, and there he remained until the United States Generals Griswold and Patch sent me a joint signal saying: "This gallant officer's health is such that our medical adviser tells us that his sick body can no longer carry his great heart and if he stays here he will die". Even then, I had to give him an order before he would leave.

It was a splendid achievement, a side-show if you like, but a fine and gallant one and I feel unable to resist the opportunity of paying my tribute to it to-day, because I feel that this country ought to know it.

[H.E. the Governor]

We wish him all good fortune in his new task, confidence that he will discharge it with courage and distinction. (Applause.)

#### MINUTES

The minutes of the meeting of 30th January, 1947, were confirmed.

#### ORAL ANSWERS TO QUESTIONS

##### No. 99—KERINGET ESTATES, MOLO

SIR A. VINCENT (for Mr. Trench, absent):

Will Government please state whether the Agricultural Production and Settlement Board authorized the payment of a breaking grant of £500 to Keringet Estates, Molo, against the recommendation of the local Production Sub-Committee? If the answer is in the affirmative, will Government give reasons for the action taken.

MAJOR CAVENDISH-BENTINCK: The answer to the first part of the question is in the affirmative. With regard to the second part, the Board was satisfied that 500 acres of land on Keringet Estates were broken at the end of 1944 and planted with wheat in 1945, under verbal instructions issued by the late Captain E. R. Davis, who was then chairman of the sub-committee and was also a Director of Keringet Estates, but who died shortly afterwards. Owing to Captain Davis's death no formal breaking order in writing was issued at the time by the Agricultural Production and Settlement Board. The Production Sub-Committee concerned, having fully considered the position, expressed the view that there was no case for payment of this grant. The hon. Attorney General, who was consulted, gave it as his opinion that while there was possibly no obligation in law there existed a very strong moral obligation that the claim should be met, and made a definite recommendation that the grant should be paid. The Agricultural Production and Settlement Board, after further careful investigation, acted on this advice and decided not to accept the recommendation of the sub-committee.

SIR A. VINCENT: Arising out of that reply, is Government aware that Captain Davis asked for a breaking order in respect of this acreage in order that he might claim a breaking grant, thus

enabling him to show a profit on the working of the Estate; also that the application was submitted after the permissible date?

MAJOR CAVENDISH-BENTINCK: Yes, sir. But owing to the unfortunate circumstances of Captain Davis's untimely death it was impossible to establish his precise intentions, nor his instructions to Keringet. This case was therefore treated as a special case, and I repeat that after meticulous examination of all the factors it was decided that the grant was legally payable. Incidentally, this was the only breaking grant paid to that estate.

##### D.A.R.A. DRAFT ESTIMATES, 1947 STANDING FINANCE COMMITTEE REPORT

The debate was resumed.

MAJOR JOYCE: Your Excellency, as a member of the Development Committee I have a few brief observations to make on this report, and I should like first to turn to page 2, paragraph 7, regarding the recommendations suggested by the hon. member Archdeacon Beecher. I feel that his suggestions for some alteration in the budgetary set up will require far more careful consideration than we can give or debate in this Council now. I would draw particular attention to section (b) at the bottom of that page, which suggests that some means should be found whereby provision could be made both for D.A.R.A. and for the general Colony budget of a contingency reserve fund from which recurrent commitments can be met, in part or in whole, during a period of depression. Speaking for myself, I am quite content to leave the exploration of possibilities in that direction to the hon. Financial Secretary and the hon. Chief Secretary.

Referring to paragraph 12 on the next page, I feel there is some danger there. It recommends that the Standing Finance Committee should be consulted about each project which involves consequential recurrent expenditure before any capital expenditure is incurred. I feel that if that is not interpreted fairly liberally, you will reach the position when the Authority is greatly delayed in implementing the various projects having to refer on every possible occasion to the Standing Finance Committee, and my request here is that the interpretation should be extremely liberal.

[Major Joyce]

I support paragraph 13 as strongly as possible—that is, the recommendations by the hon. member Archdeacon Beecher that, more particularly in regard to buildings, the standard could well be reduced, and reduced considerably.

I now come to paragraph 31 which contains some remarks by the hon. Member for the Coast, with which, oddly enough, I find myself not in agreement. He referred more particularly to Makueni. I touched on that in my speech a couple of days ago, but I should like to say here that I think it is the greatest pity to throw cold water on a project of this kind in its early stages, and, though I share his anxiety about wishing to see quick results, I think it may well be dangerous in these African settlement schemes to hasten unduly. For this reason, that if you allow the Africans to go into these various settlement schemes in or outside a native land unit, before arrangements are made whereby their settlement can be completely and effectively controlled, you will be doing more harm than good. For that reason I hope that all members of this Council will be a little more patient with the somewhat slow progress that has, I admit, been made by the African Settlement Board.

As regards the recommendation in paragraph 33 for a high level Agrarian Commissioner, I am not quite clear what his functions would be. What I would plead for is the greatest possible support for the hon. Member for Agriculture in the whole of this business. He has an extremely difficult job, and I think it may well be necessary for the country to face the expenditure of considerable extra sums for one or two high level people from outside the Colony to organize and run certain sections of the interests that he is looking after, and this is a case, as I mentioned before, where a niggardly outlook on salaries will not get us the best people that we must have. It is only a question of one or two people—or possibly even three—but when we are spending these large sums of money, my own view is that the men at the top should be the best we can possibly get.

I have only one more remark to make, and that is on the question of the African Settlement Board, and that is referring to these provincial teams. There have been set up in several provinces

teams for working out schemes for African settlement, re-settlement and so on, and I feel that, unless we are careful, there is great danger of delay through these teams having to continually refer their projects back to headquarters. I think myself that if the broad policy was laid down by the top organization, by the Member for the African Settlement Board, whatever it may be, and if the provincial teams were made aware of the sort of financial provision they could get, we might be able to get rather quicker action than we have got in the past.

Finally, I once again plead for the greatest possible support for the Member in the very difficult task he has to perform.

MR. COOKE: Your Excellency, I rise to support the motion. Personally, I think the development plan is able and imaginative, certainly within the limits imposed by our difficult financial position. There are people, I know, in this country who are rather doubtful about the wisdom of going ahead with this big scheme, but the way I look at it is: money makes money, and if we are going to assure our solvency in the future, we must be prepared to take risks now. I would urge on the Member, if possible, to give precedence to schemes of an early productive nature. I am envisaging especially the Tana River scheme, about which incidentally there has been no announcement recently, although I was promised one following on the report of the survey party.

The hon. Member for Ukamba pleaded for patience. It is all very fine to plead for patience when conditions are static, but we are faced with nature, which is never static and, while we are deliberating and halting and hawking here, the great forces of nature—the sun and the winds and the floods—are taking their terrible toll of our soil. We have it from no less a person than the hon. Director of Agriculture that we have lost 50 per cent. of the fertility of our soil within the past 25 years. I have read literature on this subject very extensively. I know that in South Africa, for instance, they are losing 100,000 acres of fertile soil a year from soil erosion, and in the United States of America in the "dust bowl" area, hundreds of farms were overwhelmed in one year, but the dynamic people of those two nations have taken

[Mr. Cooke]

very strong steps to combat soil erosion. We have not taken those strong steps here.

The hon. gentleman who has just spoken pleaded for support for the hon. Member for Agriculture. Well, I am not prepared to support him unless I see more dynamic qualities and a more obvious effort to deal with the tremendous problems in front of us.

To return to Makueni, I repeat everything I have said. The report of the Hydrographer, I think he calls himself (Mr. Reeve), was a warning against going ahead with this Makueni scheme. That report was written 18 months ago. He warned us that by cutting down too much bush we might conceivably be interfering with the water table, and now that we have these marvellous discoveries of D.D.T. and other insecticides, I think my friend should think twice before he cuts down and levels all that bush in the Makueni area. It is not my opinion alone about the suitability of Makueni for settlement. The African assistants training at Kabete who went down there told me themselves that they thought that the scheme was likely to be a failure, and that they did not think it would in any way meet with the success which my hon. friend anticipates. I should like to correct a slight mis-statement which appeared in the paper this other day. What I really said was that Makueni would become another Taveta: not that Taveta would become another Makueni.

I have a little note about propaganda. I think it is time we dropped that word "propaganda" and called it "publicity". At any rate, I think the Africans of this country, like a great many other people, are getting very tired of all these policies and no performances. Your Excellency yourself goes round and makes speeches, and talks to the Kavirondo like a father, and to the Kikuyu and other tribes, but there is never any follow-up. I am not attempting to criticize You, Excellency for that non-follow-up, but somebody must be responsible. I personally think there is far too much politics in this country and it is about time we got down to the agrarian problems. These are the things that really count and which are going to count in the years to come.

I want to say something about this which I omitted to say in connexion with

the other report, but it is tied up with this one, and that is the Ukamba case. I, too, think it is an absolutely fantastic position that you should have thousands of young natives, leading dissolute and lazy lives, while their whole country is losing its fertility. The Mortimer Report strongly advocated a civil labour corps. I agree entirely with this slogan that "all must work", but I am not going to lend myself to support the idea that Africans should be, for instance, forced out on to the farms, although they should willingly go there, and I think every encouragement should be made to get them to go on to the farms; but I do strongly assert that they should be forced into a civil labour corps and that they should be made to take part in big soil conservation measures in a proper disciplined corps. I should like to see them, as we suggested in the Mortimer Report, gathered perhaps by young Kenyans who have had experience of Africans during the war, and that they should devote their labour first of all to the rehabilitation of their own land. That does not seem to me to be an unreasonable request, and if the Akamba are not susceptible to persuasion in that matter, I personally think that force should be used.

It seems to me a queer idea of trusteeship that your Government allows the Africans of this country to dissipate and destroy their land, when action could be taken. It is surely our duty here to see that we hand down to posterity this land at any rate in as good heart as it is today (it should, of course, be in much better heart). I do beseech Your Excellency, who I think is going down to the Akamba country next week, to impress upon them the extreme importance of collaborating with Government and taking every step possible to restore their own land. That seems to me to be pure commonsense.

With those few remarks I hereby support the motion.

ARCHDEACON BEECHER: Your Excellency, it will be recalled that, during the debate on the Draft Estimates, I stood and spoke as a stern critic of the report of the Development Committee. I report that there are a number of points in that Development Committee Report which merit reconsideration, and I am now the author of several minority notes

[Archdeacon Beecher] in the report which is the subject of this debate. On this occasion I make no threat. I would not even seek to intimidate the hon. member of this motion—even if that were possible! I am merely pleading that some further consideration should be given to these minority notes, and it is largely to those that I will confine my attention this morning. In passing, may I say that I am going to make no attempt to take up the hon. General Manager for his very bitter and, if I may say so, wholly unwarranted attack on my integrity in the earlier debate. I am no less apprehensive to-day than I was several weeks ago about the situation in which we are placed by this Development Committee Report. I feel that the inadequacy of the capital which is at the disposal of the Development Authority is going to hamper it at every turn, unless either direct or indirect means are found to increase that capital. I fear that evil may befall it, but, as I shall try to indicate a little later on in the course of my remarks, if that £15,000,000 is the most that the Development Authority expects to have at its disposal, then there are certain financial safeguards which must be exercised in order to prevent a single cent of that £15,000,000 being wasted.

Before I pass on to a consideration of the contents of the Standing Finance Committee's report on the Development Committee Report and on the Draft Estimates for the Authority for this year, I should like to take up a point I left a day or so ago arising out of the Standing Finance Committee report on the Draft Estimates. That is paragraph 5 of the report on the Draft Estimates.

I feel that every encouragement should be given to individuals and companies who take part in approved development and welfare schemes. If provision does not already exist (and on this point I am ignorant) in legislation or proposed legislation to write off their expenditure on approved welfare schemes against their liability to income tax, I would ask that that should be done and should be done on the most generous terms possible. That is to say, if a particular private company embarks on an approved development scheme for the housing and welfare of its staff, whatever race that staff may be drawn from, then the capital should be written off over a

five or ten-year period against income tax, and should it be maintained by that company that it would be preferable to write it off over an even longer period, then consideration should be given to that. For if income tax of Sh. 2 in the pound is being paid, it means that a welfare scheme is being secured by Government at a tenth of the cost of that scheme to Government itself. If income tax is paid by that company at Sh. 4 in the pound, then Government has secured for itself a welfare scheme at a fifth of the cost of that scheme if it had been paid for by Government. Doubtless the hon. Commissioner of Inland Revenue will have some trenchant criticism of my proposal, but I should at least like it to be ventilated and debated in this Council.

Turning now to the report of the Standing Finance Committee on the Development Committee Report and the Draft Estimates of the Development Authority, I should like, if I may, before I speak about paragraph 7, to refer to paragraph 8, because from paragraph 8 I shall attempt to deduce certain basic facts which have relevance to what I have to say about paragraph 7.

The major point of criticism of the Development Committee's report by the African community and those interested in their advancement is in connexion with its educational and social services proposals. Primarily I believe in connexion with its education proposals. Above all else, at the present time the African is education-conscious, and very rightly so. The hon. Chief Secretary, from time to time in this Council and in committee, has stated that I am a "jack of all trades" and, presumably, master of none, therefore my pronouncement on any particular subject is not to be relied on. Consequently, in framing my own criticisms or comments on the situation described in paragraph 8 of this report, namely, the re-examination of the education proposals of the Development Committee, I was at some pains to consult an educational expert of very high standing, familiar with African educational development on the West Coast as well as on the East, who has given very close attention to the whole of the proposals of the Development Committee in very considerable detail. I asked him whether, in his opinion, the financial provision which is made by the Development Committee for the particular

[Archdeacon Beecher] service as described in the report itself, in Volume I, was adequate, and, secondly, whether the country was likely to be able to bear the consequential recurrent expenditure of that educational problem. His answer to both of these questions was "No", emphatically, no, and in support of that he says:

"The Development Committee proposals are built on several quite untenable assumptions. First, that the people are able and willing to pay drastically increased fees. No thought seems yet to have been given to the task of explaining and justifying the step to them, a step in exactly the opposite direction from previous policy which has looked to the goal of free compulsory education. Second, the proposals are on the untenable assumption that all classes will have maximum enrolment. Third, that the same standards can be applied to all districts, from backward areas to townships. Fourth, that the same fees and staffing provisions should apply to girls' schools as to boys. Fifth, that teachers' salaries, housing, provident funds, etc., are now adequately provided for. Sixth, that refresher courses, etc., are either unnecessary or can be run for nothing."

Now, sir, I feel that when the consideration to which paragraph 8 refers has been given to the educational proposals of the Development Committee, it will be found that the sum provided under the Development Committee's recommendations of roughly 7½ million pounds will be found wholly inadequate even for the meaneast development programme for education in this country, and, further, I am firmly of the opinion that the consequential recurrent expenditure which is proposed in connexion with the educational programme is incapable of being carried by the Colony's budget, that is true of education, it is also likely to be true—and my contact unofficially with members of this Council and others who will be responsible for carrying out these projects confirms this—that the burden of the consequential recurrent expenditure cast on the Colony's ordinary budget will be quite intolerable. It must be borne in mind that, although the development programme aims at a very considerable advancement of this colony which should, among other things, result in a very considerable increase in its

revenue, there will be a very considerable time lag between the embarkation on a particular project and the incurrance of consequential capital expenditure on the one hand and the time when the Colony will as a result of that particular service be in a position to get an increased contribution to the revenue. Therefore, sir, I, after very careful consideration, have made certain proposals which appear in paragraph 7.

On all sides and from all parts of the world there comes warning of an impending slump. The hon. Commissioner of Inland Revenue gave us the other day a solemn warning, which I presume he is able to substantiate up to the hilt, of a potential decline in the revenue from income tax. While I hold most strongly that the 15 millions the Colony has at its disposal are hopes to have, for development is inadequate, and while I hold most strongly that it should be multiplied by a factor as great as 10, I am even more concerned, as I have already indicated, that every penny should be spent economically, and that that programme should proceed unimpaired.

Paragraph 9 of Volume I of the Development Committee report says this: "In the interim report it was laid down as a basic principle of development planning that its object was 'to use the natural resources of the country, including man power, in a manner calculated to increase the national income of Kenya in the shortest possible time so as to raise, as soon as possible, the standard of living of the majority of the inhabitants'". Nothing, nothing, sir, must stand in the way of carrying out the development programme in the hope of being able to obtain the goal there laid down, and the whole development programme must be guarded against the vagaries of economic fluctuation. The development programme must, year by year, be able to carry out the appropriate part of its programme whether there is a slump in existence or not, and, indeed, sir, one of the most useful things in a time of slump that could happen in this country is that the development programme should be in the course of operation. It will provide employment where otherwise there might be unemployment; it will provide money in circulation where there might otherwise be a situation in which the spending capacity of the country was at its very

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lowest ebb. Therefore I feel it would be wrong for the development programme to be at the mercy of the capacity of the country to undertake the consequential recurrent expenditure on a particular project in a particular area when finance might not be available.

The hon. Chief Secretary, when moving this motion, drew attention to the fact that whether there is a development programme in existence or not, there would be a rise in the consequential expenditure of this country, and it seemed to infer that £1,100,000 consequential recurrent expenditure arising out of the development report would be the same increase in the recurrent expenditure if there were no development projects in operation. That seems to overlook the fact that it is not only the development report which is casting consequential recurrent burdens on the Colony, but services already in existence will have increased recurrent expenditure. Therefore this Colony not only has to face £1,100,000 consequential recurrent expenditure arising out of the D.A.R.A. but to face increased recurrent expenditure on services already in existence, and that is an enormous burden, and I am doubtful whether the Colony will be able to bear it.

Coming to my particular proposals, I would point out once again that the development programme must be preserved from the vagaries of economic fluctuation, and therefore I trust that a re-examination of the whole of the D.A.R.A. system of accounting and finance should take place in order to see whether it is not possible for it to embrace both capital and consequential recurrent expenditure in one working system. The implication of that, of course, is that the £300,000 a year that the Colony has paid to D.A.R.A. in the past and, it may be assumed, is prepared to pay in future years, should be stepped up, and stepped up very considerably in good years if possible, though possibly sink to a very low level in bad years, with the final object of securing that the Colony's contribution in the 10th year, if it is at all possible, should equal the ultimate consequential recurrent expenditures arising out of D.A.R.A.

I realize, as the hon. Member for U.Kamba said, that it is impossible for

this to be debated in full in this Council this morning and a snap decision to be taken as a result of the debate, but I would ask you, sir, to either instruct the Standing Finance Committee to examine this in considerable detail or to refer it back to the Development Committee, if that can be recalled, or to some other body. I fully realize that it may need some overhaul and possibly a recasting of the development programme, and I am also certain that it means providing D.A.R.A. with some kind of contingency reserve fund to which the hon. Member for U.Kamba also referred. The present revenue balance is of the order of some 2-2½ million pounds, and I would suggest that at least one million of that should be designated for this particular purpose in order that D.A.R.A. may be able to carry out its projects in fair weather and foul in an orderly fashion over the period of 10 years which it has to run, and thereby secure the goal, if it is at all possible, put before it in paragraph 9 of the report. That implies that there should be no attempt to raid the reserve balances of the Colony for any purpose whatever that cannot legitimately be described as superseding D.A.R.A. and its needs.

Passing on to paragraph 13, I felt that life was not in vain when I heard the hon. mover of the motion speak so generously about the instructions which he had given regarding the use of temporary and semi-permanent buildings in connexion with the carrying out of the development report and other projects. There has, of course, been no acknowledgment by the hon. Director of Public Works that he will not consider this task beneath his dignity, but I do hope he will give us that assurance. In connexion with this matter, I thank Your Excellency for your very forceful remarks made yesterday about the potential use of an increased number of African artisans. I trust that your remarks will not fall on deaf ears as far as the chairman of D.A.R.A. is concerned nor, indeed, as far as the hon. Director of Public Works and private contractors in this country are concerned.

Paragraph 17, African liaison officers. Little needs to be added to what was so forcibly said yesterday by the hon. mover of the motion; it should be noted in passing that there is no intention on

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the part of the Standing Finance Committee that these African liaison officers should be engaged on menial terms. On page 17 of the report it will be noted that there is provision for £200 only for these six officers. That £200 is not the provision which is ultimately likely to be necessary; it is merely a token vote. I do feel that we should go out of our way to secure the very best Africans possible in order to carry out this particular task, and be prepared to pay them for their job in such a way that they are not embarrassed by lack of financial provision. At the same time I should like here, publicly, to appeal to the African peoples of this Colony to produce from among their number the very best men possible for these most important posts. I can think of no task offering itself to an African in this country at the present time for serving the Colony in general and his own people in particular than that he should take up one of these posts as a liaison officer.

It is very clear that interest in the development programme in this country is small, and that applies not only to the African people but to people of other races. A day or so ago, when the subject of the possible discount on income tax was being considered, the public gallery of this Council was pretty full. Yesterday, when the hon. mover was moving his motion, it was practically empty, and it can scarcely be said that there is a large crowd present to listen to this debate this morning. I feel that interest in this Colony in the development programme has still very considerably to be stimulated, and the confidence of this country in the development programme cannot be described as very high.

Turning to paragraph 33, the question of the reconditioning of African areas and African resettlement. I am sorry if I appear to be criticizing in a negative manner a body of which I myself am a member, but I feel that neither the European nor African communities in this country at the present time have the confidence in the African Settlement and Land Utilization Board which they should have. It is difficult to get at the roots of that lack of confidence, but among them is clearly the fact that no results have so far been achieved commensurate with the dimensions of the task. And there is a feeling among us

that the authorities concerned are unwilling to grasp the nettle. My recent experience in a meeting of the board indicates that officers of the Administration—indeed, in a particular case, a senior officer of the Administration—and the board itself are at cross purposes. It is impossible for the Member himself and his officers to carry out any programme of African resettlement or reconditioning of African areas if they have not the fullest confidence of the Administration in their proposals and the closest co-operation between the Administration and the Member himself and his officers. At the same time, I want once again to call attention to the fact that there is the closest interlock between the solution of the agrarian problem with which the Member and others are charged and the solution of our labour problems.

I feel—and this is not in any sense a negative criticism nor voiced in any disrespect—that the hon. Member for Agriculture has far too much to attend to in his programme at the present time, and I feel that the only way in which this most important task of agrarian reconstruction can really be effectively dealt with is that which I have outlined in paragraph 33 of the report. I feel—and this, I repeat, is not in any sense a slur on the hon. Member himself—I feel he should be in a position to be able to hand over to an Agrarian Commissioner the task of planning and carrying into effect the agrarian reconstruction problem, more particularly as it concerns African areas, that he should remain in consultation with the Agrarian Commissioner, that he should guide him with his advice drawn from his own long knowledge and experience which goes without saying, but I feel he should be in a position to hand over to the Agrarian Commissioner the responsibility for the task itself. I feel that the Agrarian Commissioner should be a man who, if possible, of world wide reputation, a man who has commanded a high respect, a man who has occupied a post of considerable importance in some other part of the Colonial Empire or in one of the Dominions; I feel he should be appointed on a 3-5 year appointment; we should be prepared to pay him a considerable fee for his services; above all, he should be a man who is prepared to grasp the nettle and formulate his pro-



[Archdeacon Beecher] grammes, and fearlessly go forward with its execution. I would ask Government to give the closest possible attention to this proposal. As the hon. Member for Kinangop—I beg your pardon, sir, the hon. Member for the Coast (laughter)—has said, there is no problem of greater importance which faces the country at the present time than the solution of our agrarian problem, and I would ask that my minority note—it is a minority but the hon. Member for the Coast and I agree on this—that the note contained in paragraph 33 should receive Your Excellency's sympathetic attention.

Finally, paragraph 45, the question of police buildings. The hon. Member for Mombasa and I have been exercised for some considerable time about the very poor state of buildings in which the police at Mvazi Moja are housed, and I think it is not improper for me to say at this stage that the loyalty of the police in Mombasa during the recent strike was strained to its utmost limits, and I feel that that was not the least due to the fact that they, the police, are housed in such appalling conditions and that they might well have been expected to have sympathy with those undergrads in Mombasa who themselves were protesting against their own social conditions. That they remained loyal is something of which we in this country should be very proud. But I feel we should take their situation fully into consideration at the present time, and we should allow no words of "active consideration" or the like to deter us from finalizing this question of police housing accommodation in Mombasa. I would appeal to you, sir, to intervene in the situation with the member responsible and with the hon. General Manager in order to secure what the hon. Member for Mombasa and I feel to be the only reasonable site for respectable housing for the African police there.

Now the question is, am I or am I not prepared to support this motion before the Council? In the light of my remarks during the debate on the draft estimates, it might be expected that I should vote against it. I do not propose to do that. My support for the motion has been made possible by the clearly enunciated elasticity to which the hon. mover referred yesterday; the general flexibility of the plan has now been clearly

established; the appointment of African liaison officers re-humanizes, if I may say so, quite a number of aspects of the report of which I was a critic; and if consideration is given to these minority notes of which I am the author in this report I have a degree of confidence that the development report will contribute something great to this Colony. I therefore support the motion, and as I take my seat I would repeat my request to you that the proposals made in paragraph 7 designed to shield the Development Report against economic fluctuations should be taken carefully into consideration.

Sir, I support the motion.

DR. RANA: Your Excellency, I rise to give my whole-hearted support to the motion before this Council. First of all, I must make it perfectly clear that I am not one of those whole-hearted admirers of the Colonial Administration, but I must say that this report and the development programme which has been brought before this Council is very essential, and I congratulate you, Your Excellency, and the officers who are responsible. There is no doubt that in a business of this magnitude one has to see who is going to control it. I must congratulate you, sir, for selecting an officer who, in my opinion, if he had gone into business instead of the Colonial Service, would have made millions. I think the whole scheme is in very safe hands, and I am absolutely convinced that, with the hon. Chief Secretary in charge, who, I notice, is particular with the commas and colons, every penny will be well spent, and as long as he is at the helm he will see that nothing is wasted. That is the reason I use the words "whole-hearted support".

This country is increasing in population in respect of all races. The times are gone when men came here, made money, and went away to other parts of the world. The time has come when our African brothers will have to understand that we have made this country our home and we intend to co-operate with them and to develop this country to the fullest extent.

I should like to thank the members of the Standing Finance Committee for providing certain hospital and health facilities for Mombasa and the Coast, though I am not satisfied with the

[Dr. Rana]

amounts that have been mentioned, but at the present time, taking into consideration that huge buildings are not wanted in this country, I hope that this money will be enough for the time being to provide us with better facilities from a medical and health point of view.

Regarding the Police lines in Mombasa, I congratulate the hon. Member for Mombasa who has tried from the very beginning to impress upon the authorities the urgent need for Police lines. I must say, though I am not one of his electors, that he has done a substantial service to Mombasa, and I hope that immediate action will be taken and that those lines will be removed to the satisfaction of everyone.

As regards page 3, I am very much impressed with this, and I fully support the recommendations of the Committee regarding the suggestion of the hon. member Archdeacon Beecher.

Finally, there is one point which I want to impress very forcibly on the hon. Chief Secretary, who is Chairman, and the hon. Member for Agriculture, and that is that Mombasa and the Coast is very, very suitable for agriculture, in my opinion. Our greatest trouble has been with fly-As regards dairies on the Coast, I hope that the first experiments will be made on Mombasa Island, not because I am being particularly selfish, but merely because of the great urgency from a milk supply point of view, which has caused serious concern to the Municipal Board, as well as to the public. The Veterinary Department has always been of opinion that cattle cannot live near Mombasa Island, and I strongly feel that special attention should be paid to any experiment carried out, so that the place may be able to develop, not only from a dairy point of view but even from the agricultural point of view. Some of my hon. friends who are in that trade may think I am persuading them to come down to the Coast, but I may tell them that it is not only my opinion, but it is the opinion which was expressed by a senior agricultural officer in Mombasa who has been a long time at the coast. The rainfall is sufficient on the coast, and if some real attempt is made to get rid of the fly menace the coast would then turn out to be the best area for dairy farming and fruit growing.

As I said, I congratulate Your Excellency on the scheme, and I am sure all races will co-operate as far as the welfare of this country is concerned, because we intend to remain in this land. With those few remarks I give my whole-hearted support to the motion.

MR. PATEL: Your Excellency, I rise to support the motion, but at the same time I have some strong criticisms to make. I desire to offer criticism, not with a view to finding fault with the excellent work done by the Development Committee and also by the Standing Finance Committee, but with a view to provoking thought on certain matters.

I have a very uneasy feeling that, in spite of the excellent work by those who framed that report and those who produced the Standing Finance Committee report, it appears to be one-sided. What I mean is that the total work envisaged does not take into full account the necessities of the African population, and to a great extent of the Indian community also. I am not competent, nor have I the necessary knowledge, to make constructive suggestions. At the same time, I feel that if this development plan is put into practice it will neither raise the standard of living of the African, nor will it benefit the majority of the people living in this country. Perhaps it will help a small rich class in this country. Before the war I read an article about Brazil in which it was stated that the people living in the capital of that country were very rich, but that if you went into the interior you would see hundreds of people working for a whole day for Sh. 1 or Sh. 2. This kind of social order should not be created. I feel in my own mind that this report is likely to develop and to help only a certain class of people and not the whole country.

The other thing I wish to say is that, while no interest has been shown by the public in this report, as the hon. Member representing Native Interests (Archdeacon Beecher) has rightly said, I feel that great interest was shown in the Standing Finance Committee Report on the Draft Estimates because income tax was the issue in which the European community took a very great interest. In regard to this report on the Development Committee Report and the D.A.R.A. Estimates, it appears that the shoe does not pinch the European, and therefore

[Mr. Patel]

There is not the same interest for coming here to hear adverse remarks from the European side, and the Africans and Indians who are not given a fair deal do not feel interested to come here and show their resentment.

In paragraph 10, page 3, of this report the Committee recommends general acceptance of the report. In view of the remarks of the hon. Member for Nairobi North in the course of his speech on the Standing Finance Committee Report on the Estimates to the effect that if you support the motion it means you support everything, I should like to make it clear that, though I have no constructive suggestions to make in regard to the report of the Development Committee, I have one strong objection to one recommendation, and that is the recommendation that there should be communal responsibility in regard to the provision of education, and I should like to state here and now that I reserve my right to oppose strongly at every stage the question of communal responsibility for education, or as a matter of fact for any social services.

Further, I should like to add one more argument in regard to paragraph 45, I stated in the course of my speech on the Draft Estimates that the particular site on which the police lines to-day exist is reserved for an Indian elementary school building and, unless the police lines are built elsewhere, the programme for the building of an Indian elementary school will be indefinitely delayed. That is an additional reason why the police lines should be built on an alternative site as early as possible. I strongly support the reasons given by the hon. member Archdeacon Beecher that these African police lines are a disgrace and should have been removed to a better site long ago. I strongly support the plea made by the hon. Member for Mombasa and others in that paragraph.

With those remarks I support the motion before Council, but I hope that during the course of the ten years something will be done to ensure that some development undertaken benefits the whole population.

MR. MATHU: Your Excellency, I should like to make some remarks on the report of the Standing Finance Committee on the Development Committee Report and on the Estimates of D.A.R.A.

I should like to say from the outset that, in the budget debate last year, I expressed the view that the Africans who knew of the recommendations of the Development Committee and who had read their report were most dissatisfied with the financial provision for African education. Since then I have had an opportunity of studying these recommendations in greater detail, and I am still dissatisfied with the whole position. My reason, and the reason for Africans throughout the country being dissatisfied with the recommendations of the Development Committee, is mainly on account of their conviction, and my conviction, that progress in any direction, as far as the African community is concerned, is entirely dependent upon the educational standards of the African people. I cannot see how we can contribute appreciably to the national income of this country unless we have Africans who know exactly how to carry on the agricultural practices that are accepted all over the world, or even the veterinary practices, or the commercial practices. We cannot do this with an illiterate population, and it is on that basis that we view the whole report of the Development Committee.

Their recommendations on agricultural development, their recommendations on veterinary development, their recommendations on health services, are admirable, and we have no quarrel with the committee on those recommendations. Our quarrel is that we will not be able to play the part we want to play in the development of this Colony unless we know the causes and effects of all these things, and we cannot do that with the scanty financial provision made by the Development Committee in regard to African education. It is for that reason that I feel most disheartened to read in paragraph 3 of this Standing Finance Committee report that it endorses generally the views of the Development Committee in regard to the provision of finance, which suggests that they support the financial provision for African education as laid down on page 40 of the Development Committee report. If you work out the figures given there on the basis of the official population figures which are given for all communities, every European in this country would get for education something like Sh. 58; every Indian in the country will get

[Mr. Mathu]

Sh. 17 for his education; and for every African in the country some 40 cents for each of the 10-year periods that are the basis of the recommendations of the Development Committee. You can see that the African finds it extremely difficult to see how there can be any suggestion that there is equality of opportunity in regard to education, if that is the way the funds have been allocated among the various communities in the country.

If, then, I say that the Africans are most apprehensive about the recommendations of the Development Committee, I hope this Council and the country generally will understand why we are apprehensive that the financial provision for African education is so niggardly as to make us feel most despondent about the whole situation. I appreciate the qualifications which the hon. mover pointed out, particularly in paragraph 8, that re-examination of the recommendations on African education in the Development Committee Report will be undertaken both by the African Advisory Council on education and by the Colonial Office. It relieves me greatly to hear from the hon. mover and other speakers who are signatories to the Development Committee Report that they have found on re-examination that their recommendations on African education were utterly inadequate, and that something ought to be done. But instead, they leave the re-examination to other people; they themselves being perfectly convinced that their recommendations on African education are as they ought to be. That is the point that makes me feel most dissatisfied: If I had heard from the hon. mover that they, too, felt they ought to be more generous in allocating funds for education among all communities, my position would have been much easier, and I would have felt that at any rate we had the co-operation of members of the Development Committee in regard to the re-examination of the financial provision for African education. That does not seem to be the case; and I feel as I have been feeling since this report was published.

I therefore feel that it is not possible for me to accept the recommendation of the Standing Finance Committee as it

appears in paragraph 10 that there should be general acceptance of the report, because that would imply that I commit myself and the African community to the financial provision made for education in that report, which, in other words, means that we shall not be able to play the part we ought to play in the development of this country. I can only say I hope that the Development Committee, and particularly the hon. Chief Secretary, will re-examine the whole situation, and understand that we have not been critical of the report as a whole, but we have only done so without bitterness—on the ground that the financial provision for African education has been most inadequate.

My other remarks are in regard to the most welcome proposal in paragraph 17 of appointing African administrative assistants: It has been supported by quite a number of speakers, and I do not want to labour the point, except to draw attention to two points. Firstly, in the Standing Finance Committee report on the Colony's Estimates they said that the main reason for appointing these Africans was an attempt to give Africans real responsibility. I should like to say how pleased we are to hear the Standing Finance Committee state that Africans are to have real responsibility, because it is only by giving them real responsibility that they can interpret the Government's intentions and Government's programme for carrying out the point in my hon. colleague said in the country—should be well paid, and I should like to suggest that, for once at any rate, we hope super-scale salaries for Africans will be created. In the reply to a question I asked in this Council recently about the salaries paid by Government Departments to Africans, it was revealed that there are only nine Africans in the country to-day who receive a monthly country to-day over 1.00 and I do not think that is a credit to this country, where the African is trying his best to help in developing the country, not only for his own good but for the good of the whole country. I hope Government will take the opportunity, if these men are forthcoming, and I hope they will be forthcoming, to create a super-scale salary post for them. Nothing short of very high pay will get us the men we want.

[Mr. Mathu]

The next point I should like to refer to is the paragraph dealing with the reconditioning of African areas and African resettlement, paragraph 31. I should like to say at the very outset that the African Settlement Board, which has been criticized, is not criticized because the personnel are men who are not capable men, men who are definitely anxious to see that the work is carried out properly, but what is the source of lack of confidence in that board is that the board is given material to play with which is unsuitable material. There is land given to the board, areas selected for African settlement, of a sort that the board cannot produce what is required. The areas are either waterless or tsetse infested, or both, to say the least of it, with no economic value, and I do not think the African Settlement board can produce fertility and soil among rocks. They cannot, and that is the weakness of the whole thing, that areas like Makueni and others in the Coast Province are such that the board cannot do anything to make them suitable for human habitation. I think that unless the board gets land which is of such a nature that it will be useful for human and animal settlement, you can go on criticizing that board forever. They cannot do the impossible. The money that has been spent in Makueni and other areas could have produced wonderful results if those areas were of a high agricultural value, and more money is going to be spent by this board on those areas as long as you like, but they will not achieve what we want them to. If we look at it from that point of view, I do not think we shall blame this board for failing to produce spectacular results in the shortest time possible.

I am convinced that that board will go on functioning as long as you like, but the African people will not have confidence in it because the material given to the board to work on is unsuitable, and I am bold enough to suggest that unless the terms of reference of the board are amended by the removal of the words "outside the Highlands" the board will not be successful. Africans do feel that land could be available in the Highlands, though that means going into the whole question of the Highlands Order in Council and all the other things which prevent Africans even from buying

land in the Highlands. Africans do not like to get land free, but if they were told that land could be sold to them in the Highlands they would buy it, and they would buy it for African settlement. It originally belonged to the African people, and they are prepared to buy land in the Highlands, so that they can have a place to live in. But we are told that that is not the solution. That more land is not the solution. Then what is the solution? The Africans have no other sources of security at the moment—their employment is insecure, the wages are too little to meet the ordinary needs of human beings. What other sources of income have Africans in this land, apart from their own piece of land? None.

And it is my contention that, unless we get more land for the African, as I have suggested, if Government is not prepared to buy land for them the African should be allowed to buy land in the Highlands. I think it unfair to have tracts of land in the country not fully occupied when there are such a lot of Africans going without land. Government is even trying to import people from outside to settle on the land in this country when we have African people who are landless, and have no source of sufficient income. That, I think, is not fair. I should like to suggest to Your Excellency that the land distribution in this country requires a definite re-examination.

One more point is in regard to proposals in this report about buildings. I agree that we must economize in our building standards, but I still feel that that should not be an excuse on the part of Government for giving less money for buildings that are to be used for African social services. At the present moment, most of the educational buildings for elementary and primary schools in the country are put up by the Africans themselves. They may get assistance occasionally from the local native councils or Government, but on the whole they put up these buildings in temporary or semi-permanent or permanent material themselves, and I think they require further financial assistance to get these buildings, if not of a very high standard at any rate a reasonable standard, that will be conducive to the health of the children who are attending those schools.

[Mr. Mathu]

As I have said, one of the great difficulties that the African finds in regard to the recommendations of the Development report is that when that committee says they must revise the standard of buildings, the Africans build for themselves, they put money out of their own pockets to get these buildings going. Over and above that, Government suggests that the fees should be raised substantially, Sh. 15 per child per year, which is over and above the expense parents have in feeding and clothing their children, so that it is fundamentally tantamount to restricting the progress of the people, because they cannot do it.

I welcome the recommendation in paragraph 39 about the Nairobi general dispensary. It has been common talk that this dispensary should really be brought to a high standard, and I am very pleased to see that definite action is now being taken to see that the dispensary is put on a high standard and that a proper building should be provided. One point I would like to make in connexion with this, and I do not think it is irrelevant, that in addition to the desire of the country to have a decent general dispensary in Nairobi there is also a request, particularly from the African community, that the treatment meted out by the officers of Nairobi general dispensary at the present moment to African patients who visit that dispensary leaves much to be desired. I have pointed out more than once in this Council that Africans expect courtesy from all public servants, not only in a general dispensary but all other public places to the running of which the African contributes money in taxation. Courtesy, I think, is desired by everybody, no matter what his social status may be.

I should like also to refer to the African hospital at Voi. This provision for its erection is most welcome, and I know people in Voi and Teita and other areas are most anxious that quick action should be taken to build the new hospital. I visited the hospital myself recently, and am more than ever convinced that immediate action should be taken to build the new hospital in that area.

I should like to say in conclusion that I do not feel that I can definitely say I

can support the motion just now until I know for certain that paragraph 8 of the report is definitely going to produce a tremendous improvement in the financial provision for African education. I am convinced, as most of the African community are, that without education people perish, and we should like to help, as we always do, the improvement of this country, and that is why we plead to you, sir, and this hon. Council that Government and all those people responsible for running this country should be generous, more generous than they are, and the hon. Financial Secretary will, I am sure, be even more of a brother to the African community if he can be open-handed in giving money to the services of the African community.

MR. NICOL: Your Excellency, I rise to support the motion, but in doing so there are one or two comments that I want to make.

The first is on paragraph 3, where it says: "The committee endorses generally the views of the Development Committee in regard to the provision of finance". I support that in the light of existing circumstances, but I still contend that the provision of adequate finance should be tackled on a different basis. I am not going into the detail of all that at this stage.

With regard to paragraph 7, I entirely agree with the hon. member Archibald Beecher when he says that much more than 15 million pounds will be required; he said it meant ten times that amount. Perhaps even that would be an underestimate, but I think we can look on this 15 million as the first instalment. I submit also that it will take considerably longer than 10 years to recover the economic position which we have lost through neglect in the past and to further the development of the country.

I also contend that, in regard to development and recurrent expenditure, until the development project has been completed it should be carried on capital account and that it should all go in capital account.

Regarding paragraph 45, I am glad indeed of the support accorded to this paragraph by previous speakers, because I have felt for many years that the police lines in Mombasa have really been

[Mr. Nicol]

an absolute disgrace. I am very glad that the hon. Attorney General and Commissioner of Police are in agreement and that provision will be made from Head 11, Unallocated, and I do urge that the site the hon. member Archdeacon Beecher and I recommended in a report, belonging to the Railway Administration, should be acquired for this very essential purpose. We cannot delay any longer the transfer of the police to better quarters and better conditions.

Finally, I have signed this report because I have got the very greatest faith in this country, but I must add that it is provided something is done, and this is an indication that something is going to be done, because if nothing is to be done on a really large scale we might as well all pack up. I have the greatest faith in this country, and I am quite certain that the projects in view, though they will take a long time, will be worth it in the end, and we shall have cause to be proud of this Development report. I support the motion.

Mr. COCKER: Your Excellency, I have not had time to study the report of the Standing Finance Committee and Development Committee, but from what little I have been able to hear about it this morning I feel that I should support the report as it is. I do, however, approve of most of the remarks made by the hon. member Mr. Mathu, and I can assure him that the expression of true aspirations of the African community do find a great deal of sympathy from the Indian members of this Council and the Indian community as a whole. I am sure that he, along with others, does realize that we extend our sympathy to his aspirations, but to bring them about in actual practice is another thing, though I am sure that greater attention will be paid by the Government to bring about what is required by him.

His remarks about the Highlands apply equally to the Indian community. We do feel that we have a rising generation in this country who could make better use of the land in the Highlands than what is made of it by those who happen to be in possession of it. It is my firm conviction that if equal facilities and privileges were granted to Asian children born and bred in this country for training in agriculture and to work in

agriculture, a great deal could be done to bring more produce which is needed at this moment.

With those remarks I support the motion.

Mr. MUNDY: Your Excellency, I have two short points to deal with raised by the hon. member Archdeacon Beecher. The Income Tax Ordinance already provides what I believe are generally recognized as "satisfactory allowances in respect of development expenditure; that is to say, measures for soil erosion, fencing, dipping, and things of that kind. As regards buildings for welfare purposes, it is proposed to deal with that in the Income Tax Bill already read a first time, and I shall be grateful if you will leave that matter to me to be dealt with when the bill is debated.

The second point is what is described as my warning to the Standing Finance Committee. My name is "Mundy"—not "Moore" (laughter), and I am certainly not prepared to substantiate up to the hilt the warning I gave that income tax revenue is likely to decline in the next four or five years. I think if we look at the set up of the 1921 and 1931 slumps, we have not got reason to believe that there will be another disastrous slump certainly in the next five or six years, and what I said to the Standing Finance Committee is nothing more than what I said to this Council in November, 1945. I think it was, that our income tax yield had reached its peak roughly at rates which have been three times the 1939 rates, and profits which were roughly three times the 1939 profits; that is, the yield had in fact gone up nine times. I suggested that if the profits settled down when military expenditure had disappeared, that is war expenditure, to roughly double the 1939 profits, it would indicate a yield of round about £900,000. From that we have to take into consideration the additional reliefs which are being granted. I think that while I cannot substantiate that up to the hilt, I should make it clear again how that estimate was made, and add that I think it is a sound one.

I beg to support the motion.

Mr. VASEY: Your Excellency, while I cannot support the hon. member Mr. Mathu in his remarks about land, nor do I wish to cross swords with him on that

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particular point, I should like to add my support to his plea in regard to the importance of education. Several times I have quoted in this Council the remark that "after bread, education is the need of the people". Civilization in this Colony should be based on two foundations: a sure economic foundation and a social structure, which we are developing. That social structure depends on the maintenance of law and order during the time of development, and the development of education by which the people understand the reasons for the movement and progress of a country. I should like to support him heartily when he says that the African people cannot be expected to give their full contribution to the development of the country until the percentage of literacy and illiteracy is reversed as from the present position.

I would even suggest that the Government might consider education as a completely separate item from even perhaps the Development Committee Report; that they might perhaps approach His Majesty's Government with the idea of getting a loan especially to cover the burden, recurrent and capital, of African education, the loan to be repaid over 20 or 30 years and the money to be expended in 10 years. I think His Majesty's Government in Great Britain has time and again reiterated its desire to hurry forward the development of what are commonly called the backward peoples. I think they might reasonably ask, and hope for their support in a project of this type, of which I have attempted briefly to explain and suggest. We as a Colony will pass through very troublesome times. You yourself, sir, in despatch No. 44, put into one phrase our fundamental economic and social problem: "the ignorant man and his hoe", and ignorance is one of the things which we have to remove from the African people as quickly as possible.

MAJOR CAVENDISH-BENTINCK: Your Excellency, there have been one or two matters raised in debating this report with which I should like to deal.

Generally speaking, I have a great deal of sympathy with the point raised by the hon. member Archdeacon Beecher, in which he says that the programme should be shielded from the vagaries of fluctuations in the economic situation. It

must, I think, be remembered that the original idea of having two budgets and a development fund was to ensure continuity of any development schemes which we might have planned. Indeed, this country has suffered terribly in the past from development schemes which have been started and not brought to finally, owing to exactly what the hon. member has described as the vagaries of the economic situation. While I appreciate the reasons which prompted the Committee to suggest that in certain conditions expenditure would have to be curtailed or even suspended, or that the carrying out of plans might have to be curtailed or suspended, I do hope that all members of this Council will bear in mind the original conception of having this dual budgetary system, because it is most important.

Another general point on which I should like to touch was raised by the hon. Member for Nairobi South, and it was also referred to in the hon. Chief Secretary; it is also referred to in paragraph 11 of the report. The hon. Member for Nairobi South asked when does D.A.R.A. expenditure become recurrent, and vice versa, or some question of that kind. I agree it is difficult, and I know that a good deal has been said about the consequential recurrent expenditure which will be incurred in respect of the D.A.R.A. plan. Nevertheless, I do want to make a plea for the staff which it is necessary to engage to carry out these D.A.R.A. plans. Take the particular case of departments with which I am concerned; I must employ on such schemes young men to employ on such schemes as land rehabilitation generally, forest improvement, tending and so forth, and these young men we shall have to train ourselves. We cannot afford, nor indeed can we get unlimited technically trained men who have taken university degrees, and therefore we must largely depend on a largish staff of young men not so highly qualified, both African and European. If you are going to get these young men and put them through a school, as we are now doing, I submit that, in the interests of the young men of this country, you must give them hope of a career, and it is no good trying to take them on on three-year contracts which can be broken at three months notice.

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We are training a large number of young men who at the moment are miscalled, I think, Assistant Soil Conservation Officers. We have also started a forestry school in which we are training young men to become foresters. What I am hoping is that these young men, once they have joined the Service, will periodically have refresher courses at some central institution which I have in mind where they will meet together and discuss the various problems which they have had to contend with in the different districts, and that the best of those young men will have a chance of going, maybe to Trinidad or Princes Risborough, or to some similar institution overseas, and after obtaining a diploma passing on into some branch of the overseas Service, as indeed we are arranging now, thus affording to the very best of the locally engaged youths a chance of a career and some chance in life. I do not believe it is possible to carry out the D.A.R.A. plan effectively unless you have co-operating with you, in carrying those plans into effect, a staff of young men who are contented and who feel they have a future in life in the work they are doing.

Another point—and this will no doubt be elaborated by the hon. member when he replies—which one must remember when one talks about curtailing or suspending these plans is that, for instance in regard to forestry, our costs of planting in this country are probably the lowest in the world. And, indeed, the amount of planting that has been done in this country was a source of considerable astonishment to the Forestry Adviser during his recent visit, and we have caused to be rather proud of what has been accomplished by the Forest Department up to date. Planting is cheap, but tending is very much more expensive and tends to a "snowball" effect. For instance, you plant a certain acreage each year. At the end of each five years you have to prune and generally tend and thin out those plantations, and obviously, as each year's planting comes into the tending stage, it adds to the amount which has to be tended, and which has to be looked after every four or five years. You can, of course, stop planting, but it is impossible to curtail expenditure on those acreages of forest that have already been planted, and you must have technically trained

men for all time to tend these very valuable assets of the country.

I should now like to turn to the criticisms that have been made in respect of paragraphs 31, 32 and '33 of this report. I should like to say at the inception of my remarks that this is not a suitable opportunity, since we are discussing a report, to enter into the realms of a very lengthy discussion on land utilization or African settlement. That would take far too long, and besides it is not the purpose of this debate, but, certain points are raised in the report and certain points have been mentioned in this debate.

In paragraph 31 it is stated: "The Committee discussed expenditure under this section at length. It considers that some major changes in the present organization and procedure are necessary and noted that this matter is at present receiving consideration by Government at the instance of the Member." I would only like to assure hon. members that that is, indeed, the case. Perhaps it is not generally realized that when we embarked on the rehabilitation of native lands and plans for the resettlement of Africans, we found that a great many steps had to be taken. For instance, one has got to co-ordinate to some extent the system of dealing with surplus stock, providing a market for it, arranging the distribution of it, etc.; you have got to deal with water problems. We have no organization for dealing with increased water resources as yet, although I have now appointed a Water Resources Board. We have found the law and rule-making powers extremely unsatisfactory as regards all races. We have, as I have already said, had to engage and train staff in quite large quantities, and this task is a very formidable one. We have had to rather scratch our heads, I think, as to the amount of knowledge that we really have in this country as regards fundamental agricultural problems. I have already mentioned that in the course, I think, of the budget debate, and I can now inform Council that Dr. Kean, who is the Assistant Director of Rothamsted Experimental Station, and who has recently done much the same work in the Middle East, the Sudan, Palestine and Transjordan, arriving here on February the 3rd of this year, has needed technical advice to a greater extent than we have at the moment; we want

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has a great deal of plant and machinery which we have been quite unable to get; and last, but by no means least, we have to create an organization very different from that which hitherto existed and which we think is really capable of working." That also is referred to in this report, in the following terms: "It also wishes to stress the vital importance of securing the utmost co-operation between the Administration and the other departments working in the Ukamba areas." and I would add throughout all African areas.

That is by no means an easy task. We have to see exactly where the duties of the African Settlement and Land Utilization Board begin, where the Administration take over, and generally how we can best work through the Administration and who is going to be responsible for all the technical staff—training it, posting it, and so on and so forth. I may say I have had innumerable discussions with the Provincial Commissioners and the Chief Native Commissioner and others on this subject, because it is quite useless attempting to force something on the Administration that the Administration do not think workable and in regard to which they will not co-operate wholeheartedly. I am happy to say that I have the utmost co-operation from the Administration, even when putting up suggestions that they must have found not very palatable in many cases. We are not only going to have the "utmost co-operation", but we are going to have "centralized direction" in so far as some of the more important schemes are concerned. That does not mean, touching on a point raised by the hon. Member for Ukamba, that we are trying to prevent provincial teams from carrying out their work themselves. I have discussed this very subject with Provincial Commissioners, and the last thing we want to do is to put a spanner in the works. What we do want to provide is the means whereby continuity is preserved when a plan is once started by a provincial team. Also, when a provincial team wants to do something and has not got the necessary staff or materials or finance, we can expedite their work by providing these things, which in the past they have found it almost impossible to obtain, owing to the old-fashioned method of having to put it through the annual estimates.

The question of periodic reports was also mentioned in this paragraph. That has been touched on by the hon. Chief Secretary when he moved the motion. I have undertaken myself to provide the Secretary of State with reports on the progress of the work we are trying to do. Those reports, of course, will be circulated to members of this Council.

The hon. Member for the Coast asked what was happening about the Tana River scheme. A preliminary survey was made some time ago, and that has now been followed up by a more detailed survey which is being made by people who are out here at the present time. One of the engineers in charge, I think I am right in saying, was taken sick, but I understand he is now back again.

The hon. member complained that nature was taking toll of our soil and that our action was very slow, and he mentioned what had happened in other countries. I can assure him that Government is fully alive to that. He has also suggested in respect of Makueni—which I shall come to again in a minute—that a good deal could be done with some of these insecticides, such as D.D.T., etc. I should like to warn Council that they would not be too optimistic if any very rapid development in the use of these particular insecticides in dealing with very large tracts of country. They have carried out experiments in the Union, it is true, in which they have dealt with some 40 square miles of country, but I would add that round that 40 square miles they have, I understand, a two mile fly belt, so that for the 40 square miles which they have isolated and sprayed with one or these insecticides, they have had to cut down 100 square miles of vegetation as a fly belt. That is of very valuable as an experiment, but it does not necessarily mean it could be used in practice for possibly a good many years to come. We are, I think, fairly alive to what is being done elsewhere, and progress is being made in these various insecticides, but I would just issue that note of warning. It is true that progress is slow. I think possibly that, without further elaboration, I have already the reasons why. There are so many things which have got to be dealt with that take a great deal of time to prepare, and so on and so forth. I am not really very ashamed of the slowness of the progress that is being made, because I think that

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If people knew what had been accomplished during the last year or so they would not be quite so critical.

The next thing I should like to touch on is paragraph 33, in which the hon. member Archdeacon Beecher expresses the view that we should have an agrarian commissioner. I should like, before I say anything further, to pay a tribute to the hon. member for the great assistance that he has given, despite the fact that he has, I think, often been rather depressed at the lack of progress made, but he has been of considerable assistance to the Land Settlement Board and to myself. (Applause.) He has taken on one or two occasions, I might almost say, a very brave line in dealing with some of the difficulties we have got up against.

I am a little bit at a loss to see where this agrarian commissioner is actually going to help, though I am by no means turning it down. I am only too anxious to consider any proposal which would help us to get on with the job. We already have a Chief Native Commissioner in this country who has not only direct access to you, sir, but I believe can in fact, through you, have direct access to the Secretary of State. We have the post of Member—not necessarily myself—who also has direct access to you. It is said that the member has too much to do. It is true that the member has a great deal to do and a very large number of departments to administer, but that was the idea of appointing a member, because if you have somebody who is only dealing with native lands, and he wants something done—he wants water or he wants something to do with forests, or if he wants an opinion, for instance, as regards the ownership of certain land, and so forth—under the old system it would mean my having to try and persuade somebody else to take a decision, whereas now I, as the member, can in many of these cases co-ordinate the work of them and take a decision myself. Also, it is very questionable whether we should go back to any system of complete division as between the African problems and the problems of the rest of the country, which I think this proposed arrangement would tend to lead to. We have in the chairman of the African Settlement Board, provided we find the right man—and I think the

present one has done a remarkably good job of work—precisely the man who can do exactly, as far as I can see, what the Agrarian Commissioner would do. This optimistic panacea of getting people from overseas to deal with problems which they have never faced, before, in a country they have never seen, does not always work. It has been found not to work, and I submit further that this agrarian problem concerns everyone of us here and that it is we who have got to solve it ourselves with the goodwill of everybody concerned, and I believe it is less likely that we shall do so by importing somebody whom we do not know very much about.

In connexion with a further point which the hon. member has made, I would refer to what was said by the hon. Member for Ukamba on the same subject. There I totally agree. We do want more people to carry out this work, and people of a high level. Take, for example, a number of schemes we have on hand now which require roads, fencing, houses, the breaking of land—sometimes mechanically, sometimes by hand—preventing, for instance, the mechanical breaking of land being carried out by unsuitable machinery and unsuitable methods; I do not say it is anybody's particular fault, but it did happen—we want schemes supervised by someone with knowledge of terracing, tractors, engineering knowledge and so on, and as we are spending vast sums of money I believe we should have somebody of a high level paid a considerable salary who will look after all this on behalf of the African Land Utilization Board. Again, I repeat, that sometimes we are too parsimonious over salaries, and this costs the country a great deal more in the long run.

The hon. member Archdeacon Beecher also says that we have not got the confidence of the Africans. Well, I am sorry we have not, and I am afraid that that is probably the case. But remember, we are dealing with people who I think the hon. member admitted, very primitive, and it is a tendency not only in Africa, but all over the world for peoples who are primitive to think they can run before they can walk. We are now in a position of dealing with people, some of whom, for instance, pass resolutions

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saying—that any form of control of land is against African custom and land tenure. They also like to meet and discuss when they are going to spend certain money, and say that one *sine qua non* is not to have any European supervision. Nobody wants to rush it, but we must try and alter this state of affairs, and I would ask the hon. members representing African interests and all Africans who are co-operative—and very large numbers are—to try and convince everybody that, although we may not have their confidence now, we are at least genuine in our desire to do everything best for them and, what is more, we are quite determined to keep on with the job. (Hear, hear.)

The hon. member Mr. Mathu touched on a subject which I could skirt, but which I think I must say something about. He said he had no fault to find with the African Settlement Board but it was given a hopeless task, that it could not do anything with land of no economic value, covered with rocks, with no fertility, and so on. That led him to no doubt quite a reasonable suggestion from his point of view, that they should be given land which had been demarcated for other purposes by the Carter Commission. I cannot help feeling—and will say so openly—that there is a little, perhaps subconscious, political bias when those remarks are made quite categorically. I venture to suggest, that had he looked at the land on which the hon. Member for Ukamba now has a farm and a home, or at the land next door, or many other areas in this country which are now prosperous, had he looked at those areas a few years ago he would have said that that land was impossible, that it was barren and waterless, and I am not at all sure indeed—if I was I would say so—I am not at all sure that there are not quite large areas of land which, with comparatively moderate sums spent on them, could be made into arable and quite good land. Sometimes it is a question of fly, sometimes it is a question of water, but all the land we are examining is not completely barren, rocky, and so on.

Therefore, again, I appeal to people not to approach this problem from a purely political standpoint, because it is Government's intention—and they have no alternative—to base plans that are

being made on the Carter Commission report. The Carter Commission came out in 1932; it did not report until 1934, and since that report we have had seven years of war. I must add that it is not true to say, as was said by the hon. member Mr. Coker, that land in the Highlands is very inadequately used. Recently, I have had several opportunities of flying for several days at a time over the Highland areas and other African areas. I admit that a lot I have seen is horrifying, but I would also like to add this; that in the Highlands on the whole, the amount of development done, is really quite remarkable. I should also like to add this: that the numbers of orders which have been given, served on individuals, detaching and closing orders, and for dealing generally with better methods of agriculture, in the Highlands are extremely numerous, and this also is probably very remarkable.

As I said, I do not want to enter into the realms of a long discussion on this subject, but I had to make a few remarks. No doubt there will be an opportunity at some future session for a debate on these very important questions, which I should personally welcome, because it would give us an opportunity of going into these matters in greater detail.

Before sitting down, I would refer to one thing which, perhaps, is not directly connected with this particular report, but which was mentioned in debate both by the hon. Member for Nairobi South and the hon. Financial Secretary. I am, I think, if not actually the oldest member, one who has sat continuously in this Council for a longer period than most, and I should like to stress, more especially as I am now sitting on this side of Council, my experience in the work of this side, with experience in the present stage that it was the present system of budget procedure is quite unworkable. (Hear, hear.) I have been taken to task because a lot of work which concerns me is not being carried out, and no doubt every member on this side could be taken to task for the same reason. I do not know whether hon. members realize that, what with preparing the budget and arguing with the Financial Secretary as to what is going into it, with the three budget reports—and what we had several weeks' debates—and with the first debate on the taken up with two more on these two reports and one on the Railway budget—



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then what with the Standing Finance Committee and all these budget debates really no work is done for something like three or four months, so we are now as Government officers working on an 8-month year instead of a 12-month year.

In England, that was long ago realized, and the amount of time spent on the budget in the House of Commons is a few days. Southern Rhodesia had the same trouble, and they have discovered a method of dealing with it. In the early days of this Colony, when we had half a dozen representatives nominated by Government who sat around a table, and there was only one opportunity in the year to air grievances—which was at the budget debate, and perhaps the Caledonian dinner (laughter)—it did not much matter, but when nowadays 30 or 40 members make speeches continuously it is quite impossible. I would suggest that perhaps a committee might be appointed to see what is done in other countries, and to see if we could not come to some reasonable arrangement. (Hear, hear.)

I would, however, add a word of warning. It was suggested yesterday—there were "Hear, hear!" on the other side—that we ought to have all unofficial members present when the estimates were being discussed. That was done for many years, and the reason it was stopped was because the elected members thought that Government got away with everything they wanted under that system. I would welcome it now, being on this side. (Laughter.) What in fact happened was that 20 people sat for days and days, but what with trips to the Stanley Hotel, shopping, and attending other meetings, only one or two ever sat through the whole thing, and Government got anything they liked, whereas the members of the present Standing Finance Committee really devote an enormous amount of time, far more than the public realize, and do most useful service to the country as a whole.

I beg to support the motion.

MR. ENDS: Your Excellency, certain remarks have been made in this debate which have compelled me to rise to my feet, on the question of education. No reasonable man will deny the need for education if the country is to progress,

but what do they mean by education? To my mind the meaning of education, if it is to be of any real value to the illiterate masses of the country, is the form of training which we retain them to earn their livelihood and to retain their self-respect, rather than the teaching and type of education which will produce a lot of useless clerks. I do hope in considering this matter—that those responsible for the policy of education will bear this very much in mind.

I beg to support the motion.

SIR A. VINCENT: Your Excellency, I would like to congratulate the hon. member on his very excellent speech and the points that he gave us this morning—I refer naturally to the Member for Agriculture.

I feel, after listening to all these debates, that we are chasing the detail and forgetting the real difficulties which confront us. There are two difficulties that I can see. The first is, of course, the root of all evil, which is money, and the other difficulty is fly in large areas of this country, and I believe that we should consider these first before we get quite confused in detail or the inter-relationship of D.A.R.A. and the ordinary budget and so on.

In the debate on the Woods report I made the suggestion, which apparently fell on stony ground, that we should re-examine our loan position. It is all a matter of money. I did suggest that the Railway should be granted title to the land adjoining the Railway for the requisite number of feet each side of the Railway enabling them to raise their own loans, in order to let us raise loans independently. Of course, to-day (no one can probably), but to-day does seem to be an advantage, because we are able at a very cheap rate which we can rely on for the future, although we may have to hold it and pay interest on it for a number of years before we use it at all.

I do sympathize with the hon. member Mr. Mathu very much in his references to the matter of education, but where is the money coming from and what is the ultimate commitment? That is the trouble, and the only way that we can secure money, in my opinion, is to either get it from the Colonial Development and Welfare Fund, which a great many people object to, or to obtain it from loans the interest on which will be spread

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over a very long term of years, so that we in this generation have not to face the whole of this vast expenditure for catching up the last 15 years and going forward in the next 15 years.

I think we must review the loan position, we must review the source of our finance, and do what the hon. member Archdeacon Beecher wishes to do. Nobody will be more happy than myself if we had this finance, if we had the certainty of sufficient finance. As it is, the people of the country are exceedingly worried, and very rightly so. That is why I would like to mention that the hon. Member for Uasin Gishu, who is unable to be here to-day, asked me to state that my remarks meet with his assent, and that he wished to stress paragraph 3 and paragraph 6 in this report, because it must be a very clear warning to the country, a very clear warning.

I know that perhaps the hon. Member for Agriculture was a little bit annoyed with me because of my reference to permanent terms to be given to employees of D.A.R.A. The fact is that we are faced with a double-edged sword. It is not only a fact that these men want permanent terms, there is also coupled to it the fact that we ourselves are not certain how long we can go on employing these men without adequate financial provision on a large enough scale for the future, and what is always before my mind is the possibility of wholesale retrenchment, which we want to avoid. But it is placing of the whole burden of these very expensive schemes on the present generation which is causing a great disquiet in this country to-day. These schemes have been described as ambitious and so on, and we are told that if we are not to go back we must go forward. The Standing Finance Committee have attempted with the very valuable assistance of the hon. Chief Secretary and hon. Financial Secretary, to show to the country what the position actually is. I think that is our duty, but I believe that at the present time our policy must be to mark-time to a very great extent, and I entirely agree with the hon. Member for Mombasa that I should be quite mistaken if we think that this development scheme is going to be carried out in 10 years, because I do not believe it; I believe it has got to be carried over a longer period, and

we have got to stop what might term any mad rush into these things. If I could only be sure that we had a long-term plan with adequate finance to carry us through irrespective of depression, then I would say "Yes, by all means we have got to employ these men for so many years and thus retain their interest, so give them permanent terms". We are not being stupid about it. In some cases we have had to give these terms, because of the present condition of world labour we have had to give them, but it is not in the best interests of the country to build up this thing called recurrent expenditure unnecessarily, and the pension commitments which are reaching a most alarming figure to-day.

I have always quarrelled with the hon. Chief Secretary about recurrent expenditure versus development expenditure, and he has never been able to tell me what is recurrent expenditure and what is development expenditure. The only thing is I have got the idea that both the hon. Chief Secretary and hon. Financial Secretary regard as recurrent expenditure the salaries of the staff who are on permanent and pensionable terms. You may have a lot of people on permanent terms in the Forest Department, but if you supposed that the Forest Department was not a section of Government and turned it into a company, and regarded the development of that forest company as you would regard any other plantation, you would regard the salaries of the men on permanent terms as a charge against development, and there you have the right picture. I think that we are getting confused as between what is really a "development salary" and what is really recurrent expenditure. It may be both, but it depends what picture you are giving when you are about it. In this Council, I feel that we are working in the dark to a very great extent, and I also feel that we must advance with the greatest possible caution. None of us knows what is going to happen in practically every field.

When speaking yesterday I referred to jacks, and I have been reminded that some members of this Council thought they might be included in that term. I can assure you I was referring to no member of this Council. A jackal, as you know it, is an animal which, when you are wounded, tries to come up behind you to tear you down, or tries to tear you

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down behind your back when you are trying to do your best for your country. Perhaps a hyena would do as well, but I think a jackal is not quite so smelly! I always welcome criticism in this Council, and I would pay a tribute to the hon. member Archdeacon Beecher because his criticism generally has an aspect of constructive criticism in it.

As far as this report is concerned, I do hope the Economic Adviser or somebody will go into this matter of loans, and I do support the report wholeheartedly. We must have a development plan, but I say most emphatically that you cannot couple it to any definite period of time. I am also going to say that when the hon. Chief Secretary yesterday referred to the sum of £500,000 or £600,000 as being a fair amount which we could pay towards this development plan, I was not quite certain whether he coupled that with prosperous or normal times.

I support this report, but ask hon. members to remember that I support it with a very clear understanding of and emphasis on paragraphs 3 and 6.

SIR GILBERT RENNIE: Your Excellency, I will begin by expressing appreciation of the support that the Standing Finance Committee report has received from members of this Council. There are one or two points to which I would refer, but I hope it will not be necessary for me to take up too much of the time of Council.

The hon. Member for Ukamba referred to his misgivings in respect of paragraph 12 of the report. The point that he made had not escaped my notice when that particular paragraph was drafted, but if he will remember that most of the capital works actually appear in the Draft Estimates, which are scrutinized by the Standing Finance Committee, he will realize that once the Estimates have been approved by this Council, D.A.R.A. gets the "all clear" in respect of a very large number of capital projects, and if it so happened that other development projects, involving capital expenditure, arose in the course of the year, I know, from my own experience of taking such things before the Standing Finance Committee, that there should be no need for delay at all. So I hope that my misgivings he has on that point will disappear.

Turning to the speech of the hon. member Archdeacon Beecher, he made one remark which I think the hon. Member for Usin Gishu might have commented on had he been here. The hon. member said that the capital for the Development and Reconstruction Fund is inadequate, and that, if £15,000,000 is all that D.A.R.A. will have for disposal, we must see that none of that money is wasted. A point I think I should make clear is that D.A.R.A. will really have more than £15,000,000 for disposal, and the point which the hon. Member for Usin Gishu has referred to more than once in conversation with me is that we should consider not only the amount in the Development and Reconstruction Fund, but also the amounts that will be provided, year by year, it is hoped, in the Colony's Estimates by way of increases in recurrent expenditure; and his statement to me, as recently as yesterday, was that it is not only a matter of £15,000,000, but probably something over £20,000,000, when we average out, as he attempted to do, the increases in recurrent expenditure.

On the question of the development of African education, I could say a great deal. The hon. member Archdeacon Beecher mentioned that he has consulted an educational expert of high standing, who has had experience both of the East Coast and the West Coast. I, too, have consulted an educational expert, I might venture to suggest of even higher standing, who has experience not only of the East Coast and the West Coast, but in other countries as well, and he was not so pessimistic about the education section of the Development Report as the hon. member and one or two of his colleagues outside this Council. I might at this stage also refer to the remarks made by the hon. member Mr. Mathu on the subject of education.

He quoted a number of figures showing how much the Development Committee has recommended to be spent on European education by way of development, on Asian education, and on African education. I would merely put one question to the hon. member. Has he calculated the amount of fees that will go back into revenue if the recommendations of the Development Committee are implemented? Has he realized, for example, the importance of paragraph

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100 of the Report on the question of financing education? And if he will do a little arithmetic on that, and if he will also take the hint that appears on page 42 of the report, where it states: "Estimated increased annual revenue (on basis of present fees) at end of ten years"; I think he will see that merely to calculate the expenditure proposed per head of the population in respect of the three communities that he mentioned, without having regard to the proposal of the Development Committee in respect of, one might almost say, reimbursement, is to regard the matter from a rather one-sided point of view.

Having said that, I would say that I have a great deal of sympathy with the remarks made by him and by his hon. colleague on the subject of African education. One of them, I think it was the hon. member Mr. Mathu, remarked that, without education the people perish. That is, of course, a metaphorical speaking. It is more true, and is no metaphor, to say that with empty bellies the people literally perish, and I would refer the hon. member to paragraph 81 of the Development Committee Report, and in particular to a sentence half way down that page which is the one that strikes me in this connexion: "It became evident that it was little use spending large sums on African education if by so doing it meant that money would not be available for the development of the natural resources of the Colony on which the people depend for their very existence". That is an important statement, and I refer to it at this stage to show that the Development Committee, although it had the fullest sympathy, as paragraph 81 states, with the aims and motives of the African peoples as regards education, did in that paragraph state, as it has stated elsewhere, that first things must come first.

As regards expenditure on African education, the difficulty, as has been pointed out by the hon. Member for Nairobi South, is to find the money for all the education developments that one could think of. The hon. Member for Nairobi North suggested that we might seek a special educational loan from the Colonial Office. Having discussed at the Colonial Office our loan projects, as set out in the Development Committee Report, I fully realize that, if we obtained

£7,000,000 for the development programme set out in the report, we should be doing fairly well. Moreover, although it is intended that a good deal of the capital expenditure on the development of African education should be met from our Kenya allocation from the Colonial Development and Welfare Vote, for the reasons that have been stated in this Council on several occasions before, it is not regarded as appropriate that recurrent expenditure should be carried from that vote. If we carried recurrent expenditure from the Vote, or if we carried it from a loan, we should sooner or later be faced with the finding of the large sums of money required for the increases that were taking place in the recurrent expenditure during the period that the recurrent expenditure was carried either by the Vote or the loan. That is one reason why, year by year, we should control our increases in recurrent expenditure, either arising from the Development plan, or in the ordinary way, arising from the present activities of departments. I think that if we do that, the fears mentioned by the hon. Member for Nairobi South will be largely dissipated; at least I hope they will.

The position as regards the development of African education, as all members know, is at the moment rather in the air, and I would merely say this, that when the Advisory Council on African Education has considered the report, and its sub-committee is at present preparing, and when the amended plan comes before the Government, the Government will naturally give most serious consideration to the amended proposal. We may all have our own ideas on the right way to develop African education, but the point that was made by the hon. Member for Nyanza should not be overlooked by anyone who has the interests of the Africans at heart. We must not let us be developing African education led, as I have said before, too many Africans up have said before, by the prospect of the academic garden path, as the prospect only of white collar jobs at the other end. We should see that the development of their proper place in the development of this country and that their education should be closely directed towards that end. In Government departments at the present time there is any amount of room for trained Africans: in the Education

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Department, the Agricultural Department, the Medical Department, the Veterinary Department, to mention only a few, there is any amount of room for trained Africans, and we should see that the Africans get the right training for the posts that are open to them. (Hear, hear.)

The hon. member Archdeacon Beecher expressed the hope that his plan for the employment of African artisans would not fall upon deaf ears, so far as the Chairman of D.A.R.A. is concerned. I can assure him that I have discussed this question of D.A.R.A. employing African artisans on many occasions with the Director of Training, and also with my hon. friend the Director of Public Works, and we have every intention of using African artisans to the fullest possible extent as soon as the Director of Training is in a position to hand over to us trained African artisans, and we are in a position to use them effectively on development schemes.

As regards the police lines at Mombasa, to which reference has been made by several hon. members, I think I should explain that, when I referred in the budget debate to my conversation with my hon. friend the General Manager of the Railways, that conversation took place quite recently. He at once expressed his willingness to hand over the site that had been selected at the new police station site, provided that he was given land elsewhere, because the new site is already earmarked by the Railway Administration for Asian housing and it would be necessary for a fresh site to be obtained for that purpose. I gather from my hon. friend the Commissioner of Lands that this matter recently and is giving fresh consideration to the question of siting the new lines, because there is the question whether it would not be desirable to decentralize the housing for police; in other words not to concentrate all the police housing in one place, but to have a number of different sites on the Island. I am not in a position to speak on this matter from discussion with the Commissioner himself. I merely mention it, but I would reiterate what I said earlier that, so far as D.A.R.A. is concerned, once the question of the site has been settled—and I hope that settlement

will not take long—the Authority will proceed with the work with all possible expedition.

Turning to the hon. member Archdeacon Beecher's remarks on the subject of paragraph 7 of the report, I naturally, as Chairman of the Authority, have a great deal of sympathy with his desire to shield the activities of D.A.R.A. and the implementation of the development programme from revenue fluctuations. I will bring his suggestions to the notice of my colleagues at the next meeting of the Authority, and we will go into them in detail. Meanwhile, I would merely say this, that at the present time we have in the surplus funds of the Colony a reserve fund of a nature somewhat similar to that suggested by him and, as has been pointed out by other hon. members, it is a question for very close consideration whether it is altogether desirable that the progress of the development plan should proceed without interruption and without regard to the state of the Colony's revenue. I can see situations arising when the disadvantages of such a plan would become very obvious. I can see great advantages from having some reserve fund to enable the recurrent expenditure to be put at the use of the Authority, even in times of depression. When I mentioned a contingency reserve fund of a million pounds, I think we must all realize that, although that sum appears to be, and is, very large, it would not really prove, a very effective shock-absorber against a period of acute financial stringency, if that period extended over a matter of several years. His suggestions, as I say, will receive very careful consideration at the hands of the Development and Reconstruction Authority, and no doubt the Authority will consult with my hon. friend the Financial Secretary.

I must join issue, as I have done previously, with the hon. member Mr. Patel when he makes the statement that the Development Committee Report will not raise the standard of living of the African, but will merely create a small rich class and that it will benefit only one class of people in the whole country. That I regard as a quite inaccurate statement. As I pointed out earlier, one can go through the Development Committee Report and in section after section can see the solicitude of the Development

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Committee for the African peoples. To state that the proposal will benefit only one small class is, as I say, quite inaccurate.

As regards the remarks of the hon. member Mr. Mathu, I noticed that he remarked that in the budget debate he had stated that Africans who knew of the recommendations in the Development Committee's Report and who read the report were not satisfied with it. My memory is probably not what it was, but I remember making a rather careful note at the time that he said that the African, or the African people, were dissatisfied, and then he took someone to task for using a somewhat similar phrase and saying it is quite impossible for every African to be covered by that generalization. At the time I thought he was using the phrase "African" or "African people" in rather a wide sense, and I asked myself two questions: first, how has it been possible in this country, where so many Africans are illiterate, for them to know all about the Development Committee Report? and, secondly, even if they were able to read the report, how has he been able to learn from every one of them that they are dissatisfied with it? I notice now that the same two questions appear to have occurred to him; hence his statement to-day. He has shown us clearly why the African is dissatisfied on this question of education, and I have explained at some length that, when he feels that the Development Committee has been unfair to the African in its allocation of the expenditure proposed, actually the Committee, having regard to the fees proposed in respect of all races, has been much kinder to the African than the figure he announced appears to indicate.

He mentioned that in suggesting a Sh. 15c fee for Africans, the Committee was putting a double burden on African parents, and said that at the present time they build many schools themselves. I do not know if the hon. member remembered a small sum of £100 mentioned in paragraph 86 of the Development Committee Report which the Committee recommended as assistance in the building of each of these schools and in the supply of the necessary furniture. In other words, the Committee thought that, although the African community in each case would do a good deal in the way of

supplying labour to help with the construction of the schools, they would not be very severely out of pocket if they obtained this £100 subvention in each case. The Committee, in other words, was not inhuman in its approach to that particular question.

Very little remains for me to add. I have already dealt with the remarks of the hon. Member for Nairobi North on the subject of a special loan for education. Perhaps if he would like to develop his idea a little further and let me have the benefit of it in a written statement, it is a matter I could put before my colleagues on D.A.R.A. and the hon. Financial Secretary at an early date. But, as I stated earlier, and this also applies to the remarks of the hon. Member for Nairobi South on the subject of loans, there is and must be some limit to the Colony's borrowing, to its loan raising capacity. We cannot merely live on borrowed money all the time, and in considering the amount of money that could be raised by the Colony by way of loan the Development Committee took into consideration the possibility that the Railway Administration would raise its own loans in the not too far distant future, so that we would have removed from the Colony the burden of being responsible for railway loans. In fixing the borrowing capacity of the Colony at seven millions I, after my discussion with the Colonial Office people on the subject, feel that that is about all we can hope for at present.

The hon. Member for Nairobi South struck a rather pessimistic note in his speech when he suggested that we should adopt a very cautious policy in respect of development. Well, no one could accuse me of being unduly rash (laughter) in handling financial matters, especially the financial matters of the Colony such as come before me, but I do think that at this time we must really do our best to show not only imagination and vision, as I hope we sometimes do, but also a certain amount of courage. (Hear, hear.) We are a young Colony and a developing one, and so far as some of the proposals in the Development report are concerned if we do not accept them and so go all out to achieve the objectives therein described, we shall, as the hon. Financial Secretary has pointed out, not only go forward but we shall go very rapidly back; and when we are talking

[Sir Gilbert Rennie] and the development programme advancing in good times as well as bad, let me just make the point that some part of the development programme will go on in bad times as well as in good. We have in the Development and Reconstruction Fund a certain amount of money for reconditioning African lands and for African settlement. That is not dependent to any extent, so far as I remember, upon the Colony's ordinary budget. So far as expenditure of that sort is concerned we must go ahead whether the times are good or bad. As regards the point made by some hon. members that we should use development and reconstruction finance for warding off, or helping to minimize the effect of a period of financial stringency the way we would do that would be to step up whenever possible expenditure on public works. We could in such a period try to step up our development of water supplies, the reconstruction of roads, and in some cases the construction of public buildings. In that way we would not only maintain the level of employment so far as the development plan is concerned but even employ more people, and in that way minimize the effect of depression.

But, sir, we are, as I say, a little pessimistic. We have heard that America is going to be struck, perhaps this year, by slump conditions, but conditions in the United Kingdom are otherwise; there large consumer demands are waiting to be satisfied. As far as this Colony is concerned, I say that we must take our courage in both hands and go forward if the Colony is going to develop adequately.

There is only one point I want to make in conclusion, although not arising directly in this debate.

At the present time there is a great need for additional housing in Nairobi, and private enterprise is to some extent turned away from large scale housing schemes because the price of land in Nairobi is very high. The Government has decided recently to lease crown land at a fair market value in cases where the purchaser is prepared to embark on a large scale housing scheme of a type which is approved by the Development and Reconstruction Authority. The land, in other words, will be leased by direct arrangement between the Government

and the purchaser; it will not be put up to auction in the ordinary way, because in view of the present inflated values at which land passes in some towns and townships in Kenya at the present time, the Government considers that it would, if it adopted the normal procedure, be greatly increasing the cost of housing on such housing estates, and would in that way add to the cost of living in view of the fact that higher rents would have to be charged. The Government hopes by this method to encourage private enterprise to embark on housing schemes, and as a result to relieve the congestion in housing in Nairobi and other towns in the country at the present time.

Sir, I have, I think, come to the end of my time and to the end of my remarks. I would merely repeat the expressions of appreciation that I uttered when I began, at the favourable reception the Standing Finance Committee report has received.

**HIS EXCELLENCY:** There is one matter that was mentioned by a number of members affecting the group of departments controlled by the Member for Agriculture. I should like to say that I am quite satisfied that one cause of a certain amount of delay is that he has not had enough staff, and I am going to see that he gets more staff. It is fatal to economize on headquarters staff, and if operations have to be carried out you have to have it.

I should like also to mention one other point. I am very conscious, as members are also, of the war fatigue which is still on us to a very great extent. A great many of my officers have worked for a long time without leave. The same applies to the general public, but this war fatigue, this weariness, which we are suffering from is a physical factor that we cannot neglect, for it is there.

As regards the length of our proceedings, I would say that with the greatest pleasure I will appoint a committee to consider what steps can be taken in that matter.

I have only one other thing to mention. That is, that I am attending a function this afternoon at which a presentation is being made to Sir Joseph Sheridan, who is retiring after close on

[H.E. the Governor] feel sure that hon. members will signify that agreement that I should carry with me their warm good wishes and grateful thanks of the members of the Legislature for his long and distinguished services. (Applause.)

The question was put and carried.

#### STANDING RULES AND ORDERS SUSPENDED

MR. FOSTER SUTTON moved: That Standing Rules and Orders be suspended to enable certain Bills to be read a first time.

MR. STACEY seconded.

The question was put and carried. Standing Rules and Orders were suspended.

#### BILLS

##### FIRST READING

On the motion of MR. FOSTER SUTTON the following Bills were read a first time: The Customs Management (Amendment) Bill, the Uplands Bacon Factory (Kenya), Limited (Constitution) (Amendment) Bill, the Coffee (Marketing) (Amendment) Bill, The Excess Profits Tax (Amendment) Bill, the Income Tax (Amendment) No. 2) Bill, and the 1947 Appropriation Bill, and notice was given to move the subsequent readings at a later stage of the session.

#### PRESIDENCY OF COUNCIL

**HIS EXCELLENCY:** Before we adjourn, I would remind members that, I am visiting the Machakos district next week and shall not therefore be present when the Council resumes. I shall be accompanied by Mr. Wynn Harris, who will no doubt become the substantive Chief Native Commissioner, so that he will not be able to preside, and I have decided to appoint the hon. Member for Health and Local Government to be President for the remainder of the session, as the Chief Secretary and Attorney General, either of whom might have been appointed are concerned with the Bills which will be before Council. I trust that that meets with the agreement of members.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Tuesday, 4th February, 1947.

Tuesday, 4th February, 1947

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Tuesday, 4th February, 1947, the Hon. Member for Health and Local Government (C. E. Mortimer, Esq., C.B.E.) presiding in the absence of His Excellency the Governor (Sir P. E. Mitchell, G.C.M.G., M.C.), having been so appointed under Article XXIV of the Royal Instructions and Rule No. 1 of the Standing Rules and Order of the Council.

The President opened the Council with prayer.

#### ADMINISTRATION OF OATH

The Oath of Allegiance was administered to N. F. S. Andrews, Esq., O.B.E., Acting Financial Secretary.

#### MOBASA ISLAND LABOUR SITUATION

**THE PRESIDENT:** The hon. Acting Deputy Chief Secretary desires to make a statement to members on the steps that have been taken in consequence of the recent Mombasa strike.

MR. THORNTON: Mr. President, I think that members of the Council would wish to know what action has been taken over the week-end to deal with the labour situation on Mombasa Island.

As hon. members will have seen from their newspapers this morning, His Excellency the Governor has decided to refer such disputes as exist between employers and their employers on Mombasa Island to the tribunal which was appointed by His Excellency in May, 1945, under the provisions of the Defence (Trades Disputes Tribunal) Order, 1942. His Honour Mr. Justice Thacker has been appointed to be President of the tribunal in substitution for Mr. Justice Lucie-Smith who, as hon. members will remember, left the tribunal at the beginning of last year. I hope that it will be possible for the tribunal to assemble in Mombasa at a very early date.

Arrangements have also been made for Mr. H. S. Booker, an economist in statistical training and experience in conducting cost of living inquiries and similar surveys in the United Kingdom, to come here in order to conduct a

[Mr. Thornley] sociological and economic survey of conditions on Mombasa Island. Mr. Booker has been recommended to us by Professor Carr Saunders, Chairman of the Social Science Research Council in London, as being quite the most suitable person he knows of to conduct an inquiry of this nature. Mr. Booker has only recently arrived in the Gold Coast in the service of the Gold Coast Government, and we are very greatly indebted to his Excellency the Governor of the Gold Coast for immediately agreeing to us. We are also indebted to Mr. Booker himself for agreeing at such very short notice to come here. (Hear, hear.) I heard last night that, owing to the difficulties and delays in arranging transport by air from West Africa to East Africa, Mr. Booker left Accra by air yesterday for the United Kingdom, and will come on here by air at the first possible opportunity.

In making these arrangements Government has already done all, and more, than it said it would do in the communicate which was issued on the evening of the 25th January, the day preceding the general return to work. No undertaking was given in the communicate or at any other time that such disputes as may exist on the Island would be referred to a tribunal, and the general return to work on the following morning took place without any such undertaking having been given. I make this point because I have received reports which indicate that rumours still persist in Mombasa that Government agreed to a return to work for a period of three months only, during which time some sort of undertaking has been given that all such grievances as existed would be remedied. I cannot too emphatically state now, as has been stated before, that no such condition was ever, for one moment, considered by Government, and there is no sort of justification whatsoever for any belief to the contrary. Indeed, it may well be, I do not know, that the tribunal will take longer than that period before it will be ready to make any final awards which may finally issue, although, as hon. members have seen from the newspapers, its terms of reference have been

so drawn that there is nothing to prevent the tribunal making any interim awards which may seem to it to be just.

In conclusion, Sir, I would like to say this: that wherever in the colony and protectorate it should be found that there is a need for improvement in labour conditions, Government is determined to do all in its power to bring about such improvements as are reasonable and necessary. But if we are to succeed in this within any reasonable period of time, then it is absolutely necessary that we shall have the co-operation of all communities in this country, and I appeal to all communities to give us that co-operation in full measure to assist us in this task.

Events in Mombasa such as we have recently experienced, can do nothing but harm in the development of the sound and healthy industrial relations that we all so badly want to see; and the earnest hope of this Government is that co-operation, not obstruction, shall be the policy of all those who have it in their power to influence their fellow men and who have it in their hearts to bring to them their happiness and prosperity. (Hear, hear.)

#### MINUTES

The minutes of the meeting of 31st January, 1947, were confirmed.

#### MOTION WITHDRAWN

FOR INQUIRY INTO RETIRE STRIKE AT MOMBASA

On the following Order being called from the Chair, standing in the name of Archdeacon Beecher: "That, without waiting for the findings of an investigator or investigators into the circumstances which gave rise to the recent 'strike' in Mombasa, Government be asked to carry into immediate effect unfulfilled recommendations of previous commissions or committees into similar circumstances".

ARCHDEACON BEECHER: Mr. President, in the light of the announcement made by Government that an appointment has, in fact, been made of an investigator into the general social conditions in Mombasa and, further, in the light of the announcement made in the Press

[Archdeacon Beecher] this morning and so ably spoken to by the hon. Acting Deputy Chief Secretary a moment or so ago, I ask your leave and the leave of Council to withdraw the motion standing in my name on the Order Paper.

I have no desire at this stage to embarrass Government by a debate on the whole situation, but rather would I congratulate Government on the expedition with which they have dealt with the situation created by the recent disturbances in Mombasa. I would congratulate Government on having secured the services of so able a man as Mr. Booker, and on the expedition with which he is to come to this country. I would further congratulate Government on having seen the necessity for the appointment of a tribunal, and in drafting its terms of reference in such a way that they are able to make an interim award.

I trust that the expedition with which these steps have been taken will persist in the weeks and months that lie ahead, so that those happy relations for which the hon. member a moment or so ago pleaded will, in fact, be established.

So, sir, with your leave and that of Council I ask permission to withdraw the motion standing in my name. (Applause.)

The motion was by leave of Council withdrawn.

#### THE ESTATE DUTY (CONSOLIDATION) (AMENDMENT) BILL

##### SECOND READING

MR. ANDREWS: Sir, I beg to move: That the Estate Duty (Consolidation) (Amendment) Bill be read a second time.

This Bill seeks to exempt estates of £1,000 and less from estate duty, which is at present levied on such estates at the rate of 1 per cent, if they exceed £200. The Bill makes a concession to the small taxpayer which was recommended by the late Sir Wilfrid Woods in his report of his fiscal survey, in which he recommended that estimates of £300 and less should be exempted on account of the burden which falls upon the dependants of testators and other

people who die with small estates. Government, however, has gone further than Sir Wilfrid and has doubled his figure. I would add, in case it should be assumed that the effect of this Bill will be to make an estate of more than £1,000 worth less than one of less than that amount, say one of £999, that section 17 of the principal Ordinance takes care of that matter.

MR. FOSTER SUTTON seconded.

MR. VASEY: Mr. President, while welcoming the fact if I may say so, unusual generosity of Government in doubling this suggested relief to the taxpayer, there is one particular point that I should like to stress. The amendment now proposed exempts estates of £1,000 from the payment of estate duty, but ensures that an estate of £1,001 shall pay on the entire amount of the estate. That, I think, is the intention of the amendment. I suggest that a far fairer way of making this concession would be to exempt the first £1,000 of all estates. Incomplete exemption must, of course, have a line of exemption, and above and below that line there must be graded anomalies, particularly where the exemption is complete, as in the case of an estate of £999 or £900, and where the margin is above £1,000, the burden falls on the entire estate. The same argument, I know, could have been applied to the exemption of £200 and the inclusion of incomes of £201, but I would suggest that to prevent anomalies, to prevent arguments and to prevent discontent among these people whose estates fall very little above the £1,000 line, a better principle to apply would be to exempt the first £1,000 of all estates, so that a lot of the arguments would disappear.

MR. NICOLI: Mr. President, this Bill is, in my opinion, going in the right direction, because I have always held that estate duty is an extremely bad tax in an agricultural country such as this. It is all very well for my hon. friend the Chief Secretary to say that he took "The Root of all Evil" at me (laughter). But that is not going to deter me from the opinion I have held for many, many years, that estate duty in an agricultural country is a very bad tax. I would also like to add support to the proposal put

[Mr. Nicol]

forward by my hon. friend the Member for Nairobi North when he suggested that all estimates should have the first £1,000 exempt. I merely rise to record, as I do at every opportunity, my opposition to estate duty in principle.

MR. ANDREWS: In reply to the suggestion by the hon. Member for Nairobi North that the first £1,000 of all estates should be exempted, I would say that it was the intention of this Bill to relieve the inheritors of small estates only. It was not the intention to relieve estates of, for instance, £200,000 of part of their duty by giving a kind of personal allowance in cases of that sort, and I am afraid that I could not advise His Excellency to make this change that the hon. member proposes.

The question was put and carried.

#### BEER (AMENDMENT No. 2) BILL SECOND READING

MR. JOHNSON: Mr. President, I beg to move: That the Beer (Amendment No. 2) Bill be read a second time.

This Bill is to amend the principal Ordinance by increasing the excise duty from Sh. 60 to Sh. 120 for every 36 gallons of worts at the standard gravity. In exchange for that increased duty, the war-time surcharge of Sh. 1 on every gallon of beer brewed will be repealed. This suggestion, which incidentally facilitates the calculation of duty chargeable, originated in the report of the late Sir Wilfrid Woods and, although the proposal has the effect of increasing the amount of duty on beer brewed in the territory, the brewers have agreed to bear the whole of the new burden and not pass it on to the consumer. Our beer will, therefore, not cost us any more.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### INCOME TAX (AMENDMENT) BILL

##### SECOND READING

MR. MUNDY: Mr. President, I beg to move: That the Income Tax (Amendment) Bill be read a second time.

The object of this Bill is to fix the 1st January, 1947, and to give effect

to the reliefs which have already been announced in this Council. There are three stages in the fixing of income tax liability. The first is the method of calculating the income, and in that respect it is proposed to alter the present law by making allowances in respect of capital expenditure. The next step, having computed the gross income, is to deduct from it the personal allowances. Personal allowances in respect of single people, married people and dependent relatives will be the same as before, but alterations will be made in respect of children; life insurance and contributions to pension and provident funds. Having deducted the personal allowance from the gross income, it is proposed that the remaining income will be liable to the same rates of tax as those which prevailed last year.

Taking the first step, that is, the process of calculating income, our proposed amendments are in clauses 3, 4, 5, 6 and 13 of the Bill, and in these clauses it is proposed to introduce new allowances in respect of capital expenditure. It is proposed, as from the 1st January, 1947, that the existing allowances which are granted in respect of capital expenditure, which are contained in section 13 of the Ordinance, should cease to operate, and as from that date the whole of the allowances in that respect will be contained in a new schedule, to be called the second schedule attached to this Bill. All the proposals in this second schedule have already been published in a booklet issued by my department in July last year, and it has been possible therefore for everyone affected to have an opportunity of seeing what Government's proposals are. In these circumstances, I do not propose to go into a detailed explanation of all the provisions of the schedule, but I hope I shall deal with it in sufficient detail to meet the wishes of hon. members. I have said that particularly, because so far as I have had no important objections notified to me against Government's proposals, and, where there have been representations made to me, it is proposed that in the committee stage certain amendments should be moved, and a note of the proposed amendments has already been circulated to hon. members.

[Mr. Mundy]

"Dealing with the second schedule, there are two general points which I should deal with first. First of all, it is said that the legislation is elaborate and complicated, and that it ought to be simplified. In the second paragraph of the booklet which I issued I drew attention to the elaborate legislation, and pointed out that the Bill had been so drafted only after the most careful consideration of whether it should or should not be done. It is a fact that, although we have what is called a comparatively simple Income Tax Ordinance, we are gradually finding that the lack of adequate law is causing considerable difficulty in the administration of the tax, and is also leaving the way open for evasion, because the law is not strong enough to say exactly what should be done. Therefore, in drafting these proposals—in what has been called elaborate legislation, I consider that the proper course has been followed.

The second point is that this legislation is based on the equivalent of the United Kingdom legislation, and it is suggested that we should not in Kenya slavishly adhere to what is done in the United Kingdom. I have been in touch with this matter since 1944. When I was in England on duty at that time I was aware that this legislation was in draft. It had been drafted after deputations from, I think, 60 or 70 of the most important trade organizations in the United Kingdom had been heard, and the legislation has been drafted by experts. I think it would be extremely foolish not to take advantage of legislation which has been drafted in that way; and, in fact, I think it is again the proper course to take. At the same time, the United Kingdom legislation has been varied in many respects in order to meet the particular conditions prevailing in East Africa.

The general principle which is followed throughout this second schedule is to allow the original cost of the particular assets concerned to be written off against income over the life of the asset. If assets did not change hands the matter would be an extremely simple one, but what in fact does happen is that buildings, plant, machinery and so forth are always changing hands, and

it is necessary to make provision in the schedule to deal with cases where machinery and plant is sold, destroyed, put out of use, or becomes valueless. The general principle is that the original cost of the asset is taken, an allowance is made annually for wastage in the asset, and the amount which is allowed is written off the original cost, to get down to what is called in the Ordinance "the residue of the asset". That residue is an important figure, because when a sale takes place, or a property changes hands, or is destroyed, the difference between the sale price or any compensation received, and the reduced value, is used as a means of adjusting the actual loss on the asset to the allowance which is granted for income tax purposes. That is to say, if, say, a building is purchased for £10,000 and the allowances which have been granted reduce the value down to £5,000, then if the building is sold for £5,500, what is termed "a balancing charge" is made on the £500 excess over the reduced value; so that the total allowances which are granted for income tax purposes are £4,500, being the actual loss which the owner has sustained arising out of the sale of the building in his business. On the other hand, if that building were sold for £4,000 only, then there would be an additional loss of £1,000, and what is called in the schedule "a balancing allowance" of £1,000 would be made in the year in which the building was sold or otherwise disposed of. That principle is followed throughout the schedule, and I do not think hon. members would want me to explain all the details in connection with each group of assets which I am dealing with. The point is that the balancing allowance, or balancing charge, is made at the time when that particular asset concerned is disposed of, so as to ensure that the actual loss is allowed in full for income tax purposes.

Turning to the various parts of the schedule, Part I deals with what is described as industrial buildings and structures as industrial buildings here replace structures, and the allowances here replace what was always called the very meagre allowance of 1 per cent which was provisionally granted in respect of mills, factories and other similar premises. All factories and other similar structures which industrial buildings and structures which



[Mr. Mundy]

are used in productive industry will be subject to the new relief, whether they are owned and occupied—that is, used in the business of the owner—or whether they are let, and whether they are leasehold or freehold. Buildings are buildings in the popular sense of the word, but they exclude dwelling houses, show-rooms, offices, hotels and retail shops, though they include any buildings used for the welfare of the employees of the trade concerned. As regards the structures, they include roads, bridges, dams, boreholes, dips and all works of that kind which are used in productive industry.

There is a special exception as regards agriculture. In the case of farms, one-third of the value of the farm house is also included for the purpose of relief, and also dwelling houses and labour lines for employees, provided that if the land is no longer worked they will be of little or no value. On that last point I have received strong representations that, in addition to agriculture, there are other trades which are situated, say, out in the blue, where dwelling houses and labour lines would be completely valueless if the business ceased, and in the committee stage an amendment will be moved to include dwelling houses and labour lines used in any trade if, when the trade ceases, those buildings would be of little use or no value. The amendment will be by replacing proviso (a) to clause 7 (3). The exact phrasing of the amendment is on the third page of the paper which was circulated to members this morning. That meets, I hope, the point that was raised by the hon. member Archdeacon Beecher in regard to welfare buildings for employees. The only particular point he raised was that the cost of such buildings should be written off over a period of five years, whereas that is not proposed in the Bill, and I think it would not be the wish of many traders that that course should be taken.

I have described the buildings or structures to which these allowances refer. The amount of the allowances which are to be granted must be dealt with in two parts. As regards buildings which were erected before the 1st January, 1945, the amount of the allowance

is 2 per cent of the cost, spread over a life of 50 years. That is to say, if the building has been in existence for twenty years already, there will remain 30 years, for which a 2 per cent allowance will be granted. As regards buildings which were erected on or after the 1st January, 1945, the allowance will be an initial instalment of 10 per cent of the cost, which will be allowed in the year in which the expenditure was incurred, and then the balance of the cost will be written off at 2 per cent over the remaining 45 years. These allowances are what I might call standard allowances in relation to standard types of buildings, but it is clear that in East Africa buildings are frequently put up with shoddy materials such as are available on the spot, and the life of the buildings here cannot be expected to be always 50 years. Provision is therefore made that, in cases where it is clear that the life of the building will not be 50 years, the allowances may be stepped up so that they fit in with the actual conditions. That is to say, if you have a building the life of which clearly would not be more than, say, 25 years, the initial allowance could be stepped up to 20 per cent and the annual allowance to 4 per cent so as to dispose of the expenditure on the building over a period of about 25 years.

When any of these buildings or structures change hands, there will be a balancing allowance or balancing charge, as I have earlier described, in order to ensure that the allowances granted are equal to the actual loss. There are three exceptions to that in the case of balancing charges.

If an asset is sold for more than its original cost, that is to say the owner loses nothing on it at all, the allowance which has been granted to him would be withdrawn, but no charge would be levied on the excess which he received over the sale price. That is to say, if the building to which I referred, worth £10,000, is sold for £15,000, the allowance would be withdrawn, but the £5,000 would be regarded as a capital profit. Secondly, there is a limitation of balancing charges to the allowance made for income tax purposes. As an example, if a building is in existence in 1945, 1946 and 1947, with £100 allowed for each

[Mr. Mundy]

of those three years, and if the building is sold at £500 more than the reduced value, the amount of the balancing charge will be limited to £300; in fact, the allowance which was obtained for income tax purposes.

The third limitation is in the case of a building in existence before the 1st January, 1945, and if when it is sold a balancing charge is made, that charge will be restricted to the proportion of the number of years after 1945 to the total life of the building; that is to say, if the building had been in existence ten years before the 1st January, 1945, and ten years after the balancing charge will be restricted to one half only.

As regards the purchaser of a building, normally he would be entitled to write off the amount he has paid for the building over the remaining life of the building; that is to say, the allowance will not necessarily be exactly 2 per cent of the original cost. Take the exaggerated case of a building which cost £10,000 twenty years ago, and is sold for £10,000. The purchaser would be entitled to write off £10,000 for the remaining 40 years of life, so that the allowance will be stepped up to something like 3 per cent. One important point is that if the purchaser pays more than the original cost of the building he will not be entitled to write off more than that original cost.

The rest of Part I contains a number of miscellaneous provisions for dealing with the exact ownership of property, leaseholds, crown property and so on, which I do not think I need describe in detail. The whole of Part I contains these new allowances in respect of buildings generally, and its object is to encourage the erection of new and up-to-date buildings in productive industry and to encourage people to get rid of old and inefficient buildings.

Part II of the schedule on page 14 deals with wear and tear of plant and machinery, and there are only two important changes. In the first instance, there will be as from 1st January, 1945, an initial instalment for wear and tear equal to 20 per cent of the cost, and that allowance will be granted whether the machinery is new or second-hand.

Then the existing rates of wear and tear will be stepped up by 25 per cent of the rate. If the present rate is 10 per cent, the rate as from 1st January, 1945, will be 12½ per cent. As is the case of industrial buildings and structures, the same procedure as regards balancing charges and allowances will be made when plant and machinery is sold or otherwise disposed of. I would mention in that respect that there is no change in the existing procedure.

There is then in paragraph 16 no exception to the general rule, under which if a balancing charge falls to be made when the machinery is sold or otherwise disposed of but new machinery is purchased to replace the old, the balancing charge need not at the option of the taxpayer be made, but he may claim to set off the amount of the balancing charge against the cost of the new machinery and then take his wear and tear allowance in future years on that reduced value. As an example, if machinery costing £1,000 had been written down to £500 and then sold for £800, so that the balancing charge would normally be made on £300, and then the taxpayer purchased new machinery to replace the old for £1,200, he may set off the £300 against the £1,200 and claim wear and tear allowance on £900 and avoid having to pay on any balancing charge in respect of the sale of that machinery.

Now I want to go back to industrial buildings and structures. It has been represented to me that if that provision is made where plant and machinery is replaced, there is no good reason why it should not also be made if a building is replaced. I entirely agree, and it is again proposed in the committee stage to move an amendment to paragraph 4 of the schedule which deals with balancing allowances and charges on building allowances, etc., and to include therein a provision to paragraph 16, to that if a building is replaced the taxpayer may take advantage of this proposal in regard to plant and machinery and to avoid a balancing charge if that arises on a building he had sold.

That deals with the alterations in regard to plant and machinery. Here, again, the intention is to encourage re-equipment of industry with modern

[Mr. Mundy] machinery, and it also meets the complaint I used to hear quite frequently in normal times before the war that the allowances which were granted for income tax purposes did not have any relation to reality. It was pointed out to me frequently that if a machine or vehicle costing, say, £500 were granted a wear and tear allowance of £50 in the first year, that was not good enough, because, in fact, the minute the machine was used or the vehicle taken on the road the value dropped to £400 or £350. The introduction of the initial allowance of 20 per cent and an increased wear and tear allowance should largely meet that complaint. The allowances in respect of wear and tear are applied to all trades, business and professions, and also to employees—in fact, to all cases in which plant and machinery is used for the purposes of earning income.

Part III of the schedule deals with expenditure in respect of mining. It replaces the existing Mining Rules with three exceptions. First of all, prospecting (which could not previously be written off) may now be written off. Secondly, 10 per cent and 20 per cent initial allowance in respect of buildings, plant and machinery will be allowed in respect of mining expenditure. Thirdly, the whole of the capital expenditure incurred in mining can be written off irrespective of the life of the mine. As the law stands at the moment, capital expenditure can only be written off in annual amounts of one-seventh, that is, over a minimum period of seven years. If a mine under the existing law lasted about 3½ years, only one half of the capital expenditure incurred could be written off against profits. It is proposed to withdraw that limitation, and the whole of the capital expenditure incurred in mining may now be written off, even though the mine may last but one year.

The balancing allowances and charges are not to be made in the case of mining where odd purchases or sales of buildings and machinery are made, because the whole will be written off over a fixed period, and there is no need to make trivial adjustments during the course of the period. But if the mine is sold as a complete unit, at that stage the balancing allowance or charge will

be made so as to ensure that the actual loss is in fact allowed for tax purposes.

The object again of these proposals is to encourage the very valuable mining industry in this colony, and I would particularly draw attention to the proposal to allow the cost of prospecting and also the fact that it does meet the case of the small miner.

Part VI of the schedule deals with the cost of clearing agricultural land and planting up permanent crops. The only alteration here is it is proposed to give wider discretion in writing off the amount of capital over the life of a crop. At the present time there is almost a direction—the law is very brief—that it should be written off in fixed amounts over the life of a crop. It is proposed to give wider discretion, so that more allowance can be granted in prosperous years and less when crops are small. The usual balancing charges and allowances to which I have referred will be made in the case of permanent cultivation, but there is a special exception which will entitle the taxpayer to elect that if at any time the crop fails and production ceases, or the crop is destroyed, he may spread the balancing allowance or charge over the six previous years. There is very good reason for the exception in this case. It is, I think, admitted on all sides that it is just impossible to state with any degree of accuracy the life of a permanent crop; that is, coffee, tea, sisal and so on. When I came here in 1937 I was assured that the life of a coffee tree was 35 years; and I believe that to-day coffee is bearing extremely well at 45 years of age. On the other hand, any crop may fail at the end of, say, ten years and have to be uprooted.

Part V deals with expenditure in respect of scientific research. At the present time, expenditure in research is not allowed because it is not incurred in producing income. It is proposed as regards expenditure, that expenditure on research should be allowed as normal running expenses of the business concerned and that that should include subscriptions to colleges, universities, research institutions and so forth which are carrying out research which can be related to the particular trade concerned.

[Mr. Mundy] It would also include expenditure or subscriptions for medical research, particularly those connected with or for the benefit of the employees of the trade concerned.

As regards capital expenditure—that is where buildings, laboratories or pilot plants have been put up for experimental purposes, the cost may be written off over a period of five years, and again there is a balancing allowance or charge if the plant does not last the whole of the five years or if it is transferred to the main business for productive purposes once the experiment has been completed. This proposal is intended to encourage research generally, and I do not think that after the experiences of this war I need emphasize its value.

Part VI deals with a number of miscellaneous provisions. First of all, paragraph 38 allows expenses incurred in obtaining trade marks or designs to be a deduction from profits. In paragraph 39 there is provision for splitting up a lump sum paid in respect of a business which includes various assets, etc., dealt with separately under the schedule. It also provides that where exchanges of property take place they shall be treated as sales, and that in the case of surrenders of leaseholds or of a lease-falling in and the property has to be handed over, if any compensation is payable that shall be treated as the sale price.

Paragraph 40 deals with what I would call artificial transactions, where there is a collaboration between two taxpayers with a view to getting a greater allowance than is intended. If I buy one piece of plant and my friend buys an identical piece at £1,000 each, and we agree to sell them to each other for £1, practically the whole of the cost could be written off immediately. In such cases it is proposed that the transaction shall be regarded as having taken place at the market price, and no initial allowance will be granted. In the case of associated companies, where transactions of this kind take place, provision is made at the option of the companies to treat the transaction as between parent and associated company as being at the written down value.

Paragraph 41 deals with cases where a business is not sold but the ownership changes, such as when there is a change of partnership. In that case it is deemed that the sale has taken place at the market value, and the allowance to the old partners will be adjusted, so that the actual loss they have incurred will be allowed.

Paragraph 42 deals with appeals. It may happen that a man in Mombasa has sold something to a man in Nairobi, and one has wanted the value taken at a higher figure than the other. As it is obviously impossible for one appeal to be heard in Mombasa and one in Nairobi, it is provided that if a local committee is concerned I may decide which local committee, Mombasa or Nairobi, shall adjudicate. But if the partners do not agree, they can take the case to a judge.

Paragraph 43 makes it clear that a person dealing in property or machinery is not subject to the provisions of the schedule, since the money he received is from sales and transactions which are merely part of his business. Paragraph 44 is important, because it deals with the question of subsidies. The first subparagraph provides that subsidies received by a taxpayer towards the cost of any assets dealt with here are excluded in calculating the allowance. If there is a Government subsidy for half the cost of certain pieces of plant, the taxpayer is only entitled to get an allowance of half the cost he paid himself. There is an exception to that rule. If there is a private gift towards the cost of some machinery or plant, then the private gift would be ignored and the whole cost borne by the taxpayer would be allowed, but if the owner of a business or the owner of land paid a subsidy to someone else to put plant into the business, that is to say, if the owner of farmland paid an electric light company part of the cost of laying a power line on to the farm occupied by either by him or his tenant, then the electric light company would also be entitled to an allowance in respect of the money they actually spent, but the owner of the farm would be entitled to an allowance in respect of the subsidy which he paid to the company.

[Mr. Mundy]

Paragraph 45 ensures that there shall be no double allowance; that is to say, a taxpayer cannot get it both ways. Paragraph 46 contains the usual definitions, and all I need draw attention to is the fourth sub-paragraph making it clear that this allowance will be granted with effect from the 1st January, 1945.

That disposes of that long and complicated schedule. I am sorry to have taken up so much time. I could take hours in explaining it in detail, but I trust that I have touched on the most important points and have satisfied hon. members.

The next part deals with personal allowance, and clause 7 repeals section 24 of the principal Ordinance in which the personal allowances are granted. It is proposed to re-enact the whole section to give effect to the new allowances. In respect of children, a new proviso has been added to the second paragraph of the proviso to 24 (1) (b). That will provide that a deduction in respect of a child may be increased by an amount not exceeding £50 in respect of expenditure incurred on or in connection with education. I have found in examining this proposal that there are many varying circumstances in which education costs, or costs connected with education, may arise, and I feel that the only way of dealing satisfactorily with this proposal is to enable the Governor in Council to make rules dealing with all the varying circumstances in which the relief should be granted. It is essential, I think, that there should be flexibility, so that, as we ascertain what these costs are and the circumstances in which they arise, allowances can be adjusted to meet the cases concerned. The general principle will be, however, that the additional cost incurred when a child is being educated, as compared with the cost when he is not being educated, should be allowed for taxation purposes, and I would say that in cases where an expensive education is being provided, there can be no question whatever that the full allowance of £50 will be granted.

The next amendment is on page 3, sub-clause (d), which deals with relief in respect of life insurance premiums. At the present time relief in respect of life insurance premiums, and also contribu-

tory pensions and provident funds, is restricted to a maximum of 1/6th of the total income, or £100. It is proposed to abolish the maximum of £100 and to retain only the limit of 1/6th of the total income. So far as life insurance premiums are concerned, the amount of premium which would be allowed must not exceed 7 per cent of the capital sum assured at death, and I should like to make it quite clear that does not mean restriction to what are called death policies only, but that the policy must provide for a capital sum at death, or as in the case of endowment policies, at some age or earlier death, so that the normal endowment policies and any policies which, whatever the conditions are, also provide a capital sum payable at death, come within the scope of the relief.

Having determined the amount of the premiums or contributions allowable, the amount of the relief to be granted is put, on the first £200 of premium at a rate not exceeding Sh. 5 in the pound, and as regards the balance, or the excess over £200, at a rate of Sh. 2/50 in the pound. It is important to stress that there is a division, as it were, between these two allowances which must be made separately. That is, the first £200 must be calculated at not exceeding Sh. 5 in the pound, and then, separately, the balance at Sh. 2/50 in the pound. I must confess here that the third proviso does not quite meet that intention and I am really responsible for the error in drafting. It is proposed that in the committee stage the third proviso should be amended in accordance with the paper which has already been circulated to hon. members, to make the point absolutely clear.

Lastly, the amendments proposed in clauses 8, 9 and 10 deal with rates of tax. Clause 8 re-enacts section 27 with the existing rates of tax. Clauses 9 and 10 fix the rate of tax to be deducted from debenture and mortgage interest of Sh. 4 in the pound, as it has always been. In clause 11 it is proposed to repeal section 31 of the Ordinance, under which, in the days gone by, non-native poll tax, native poll tax and Northern Frontier poll tax used to be deducted from income tax.

[Mr. Mundy]

That disposes of the Bill itself, and there are just two or three points I have still to mention. First of all, I think I should say a word on the reason for introducing this Bill at this time. It was pointed out in the budget debate that if any amendment was made to the income tax law it could be dealt with by the 30th September this year, but if this Bill is not passed now it will mean that there will be no adequate law to deal with circumstances which must, in effect, arise from day to day, such as deductions of tax in respect of mortgage interest, and particularly those dealing with non-residents. If the Bill is not passed people leaving the country, for instance, cannot be assessed at the proper rate, and already nearly £1,000 has been assessed on account of the current year's taxes in cases of that kind.

Finally, there has been circulated to hon. members this morning a statement setting out the maximum effect of these proposed reliefs. I am indebted to the hon. Member for Nairobi South for the schedule. Several weeks ago he came to me and wanted to know exactly what these proposals meant, and in the course of working out the figures for him this schedule was produced, and I feel that hon. members would like to have copies of it. This statement shows the maximum relief which anyone can obtain if they have children being educated and are entitled to the full £50 allowance, and also if they do in fact spend 1/6th of their total incomes in life insurance or contributions to pension or provident funds. Hon. members, I think, will see that these reliefs are by no means small. They are in many cases quite substantial, and particularly in the higher ranges of income.

I should like to point out from that schedule where the maximum relief can be obtained. A married man with one child will not pay income tax until his income reaches £576 a year. If he has two children it is £684 a year; three children, £792 a year; and the married man with four children, claiming every allowance, is exempted from income tax up to £900 a year. I agree that is painting a rosy picture, and it can be said that a man with these family obligations could not spend 1/6th of his income on life insurance premiums, but if I take

1/10th of his income for life insurance premiums the exemptions will be as follows:—A married man with one child £533, two children £633, three children £733, and four children £833. These proposals, I submit, do provide very substantial relief to the family man, the man who, I have been assured, has been feeling the effects of taxation at the present time, and it is also my experience that it is the family man who finds that he must take out a life insurance policy or some form of insurance to protect his family in the event of his early death. I cannot give examples of the effect of the capital allowances because they depend entirely on the actual expenditure and the amount of capital involved in industry.

I am sorry I have taken up so much time of Council, and I feel quite sure there are many points I have not explained in adequate detail, but, I feel that, having published these proposals so long ago and having given everyone full opportunity of studying them, I have at least met the wishes of Council in this respect.

MR. FOSTER SUTTON PRESIDED.

SIR A. VINCENT: Mr. President, we are indebted to the hon. mover for very clear and detailed explanation of the Bill, and I would like to pay a tribute to him because of the way in which this matter—and a very complicated matter—has been dealt with. An enormous amount of the time of the Council has been saved, because he has met representatives of public bodies and personal taxpayers, and the various submissions which have been made have been argued back and forth, with the result that we have a much clearer position before us to-day than would otherwise have been the case.

However, while agreeing to the allowances made under the Bill—and I suppose very rightly feeling grateful for them—I must state, as Government is aware, we consider the allowances made in this Bill are too little, especially at the present juncture. We have done everything by constitutional means to make Government act in a reasonable manner, and have failed to do so. Therefore, I regret to say that I shall have to oppose this Bill and expect many of my colleagues will do the same. (Loud cheer.)

Mr. VASEY: Mr. President, contrasting the attitude of hon. members opposite with this week and last week, I am reminded of the saying "After the drought the flood". After the drought of last week there comes not a flood of generosity—that would be to over-emphasize and exaggerate the benefits that have been offered to us on this side. I would rather say, perhaps, streams—or perhaps it would be more correct to say canals—because these concessions and benefits which Government offer to us this morning are, so well ordered that they could not be likened to anything in the nature of a freely running stream. However, we are, as the hon. Member for Nairobi South said, grateful for whatever water is allowed to pass through our parched land.

The hon. Commissioner of Inland Revenue explained the Bill, a very complicated Bill, very lucidly, but there are one or two points on which I would like to ask questions. I am sure he will understand that it is in no measure of carping criticism or refusal to accept the largesse he has distributed!

Clause 7: "Section 24 of the principal Ordinance is hereby repealed, and the following section substituted therefor:— We have had a very nice table, very beautifully drawn, laid before us this morning, and as the hon. Commissioner said, it undoubtedly painted the rosiest picture possible. Assuming that you can afford to take full advantage of the insurance provision, and assuming that all your children are over the age of five or six and therefore eligible for the maximum additional allowances—which much earlier than the age, say, of nine or ten—but assuming these things, you get relief. But compare (b) of the new with the old section 24 and you will see that under the latter you were allowed a deduction of £75 in respect of one child and under the new Clause the deduction is £80. For the grant of the extra £5 the hon. member may look forward to the gratitude of this side of Council. Quoting from the old 24 (b), there was a deduction of £60 in respect of each subsequent child, and quoting from the new "a deduction of £40 in respect of

each of such other children not exceeding three in number". You will therefore forgive me if I say that the generosity, or the stream of water flowing in barren land, is well ordered and regulated with locks, so that the water can be dammed up almost in any particular place.

What, sir, is the effect on a man who cannot take advantage of his insurance premium and has two children? Under the new he gets a relief of £80 plus £40, under the old he got a relief of £135. That relief will remain, I imagine, at that stage until the child is old enough to receive full time instruction at any university, college, school, or other educational establishment, to the tune of expenses not exceeding £50. So that I feel that the table that was presented did paint the rosiest possible picture, and I feel, perhaps, that it is not fully appreciated that if a man has five or six children he has lost the allowance for two of those children at least. However, there it is, and we must accept it.

There is one point that I would beg Government, however, to give reconsideration to. Having, as it were, taken a little away with the right hand, perhaps they may feel inclined to be a little more generous in clause 24 (b) (ii) where the sum for educational expenses is £50. It may be argued that until a child reaches the age of education proposed, it does not cost more than £80, although I have strong doubts on that matter when I see the bills already accruing for my own son of one (Laughter). But that may be arguable to some extent. Government does not provide university or college education, nor is it at all available in this country, even should you be able to pay for it. The result is that the advanced communities, European and Asian, wishing to take their children beyond that standard and wishing them to qualify for some profession, are compelled to send their children overseas.

The total in respect of the first child which can be allowed is £130, and I beg leave to doubt whether that represents more than 50 per cent of the actual expense incurred, and I would ask Government to perhaps widen the canal a little bit to allow a little more water, of

[Mr. Vasey] generously and consider perhaps lifting it to £75, or perhaps £100.

One other point, and I am sure the hon. Commissioner for Inland Revenue will tell me that this one is too difficult, and I know it is a difficult one: It comes on page 3 of the Bill, 24 (d), the various allowances. This clause makes provision for allowances for life insurance, superannuation, and provident funds. Life insurance is something which many people do not wish to take up, they prefer their own method of saving. They know that money is something of a fluctuating value, and they are doubtful about the wisdom of paying a premium which would bring them a sum at a certain age, but the value of money, particularly in our generation, will be something problematical. They therefore prefer to invest it in such things as the building of their own house. They put something down, and they proceed to purchase it by means of instalments to a building society. That is their method of saving. It has a great advantage; inasmuch as should you be caught in bad circumstances and have to realize, the surrender value of a life insurance policy is comparatively small, but the surrender value of a building is at any rate likely to be that which you have paid in cash, and there is always the possibility of appreciation. In addition, there is the fact that they are accumulating an asset which is of value to them throughout their old age.

This clause makes no provision for an instance of that kind, and I would respectfully beg that Government should give some consideration, and that the hon. Commissioner of Inland Revenue should once again go into the question whether some relief of that kind cannot be obtained. I have the greatest respect for the brain of the hon. Commissioner. I think that he argues a case extremely well and, knowing how well he can argue a case, I am perfectly sure that should he set out to solve the problem of how payments to building societies can be recognized on the same footing as payments to insurance societies, he will solve it. (Hear, hear.)

One other point. It is obvious that I must register my protest against clause 8, the rates of tax, and clause 11, which deals with the refusal of Government to allow a set off of poll tax. I am not going

through the arguments, they have been repeated ad nauseam—they have literally, as it were, been stones flying against a wall of concrete, and there is therefore no point in repeating them. But I must, of course, register my protest against these two items in view of the stand I took on the budget and on the Standing Finance Committee report.

Mrs. WATKINS: Mr. President, there is one point I want to make, and that is about the farmer. I have actually had it now from the horse's mouth by Mr. Mundy's pen the facts on the farmer's income tax, the one man with a fluctuating income who may get £1,000 a year for 20 years as against the official or the man with a non-fluctuating income getting exactly the same, but the farmer will pay £600 more in income tax. Unfortunately, my car broke down this morning and I did not come with all my papers, so that I am not absolutely certain of the figures. I am quite certain the hon. Commissioner will correct me if I am wrong, but I should like him to definitely state whether it is correct that, all things being equal, over 20 years it is about £800 that a farmer has to pay as a fluctuating income as against a steady income, which I still think is an injustice, and I want it so recorded in this Council. If the hon. Commissioner will give the figure and not just contradict the fact I should be very glad.

MAJOR KEYSER: Mr. President, I should like an explanation of one point, and that is in clause 24 (d) (i), talking about "insurance premium": "Provided that no such deduction shall be made in such amounts beyond one-sixth of his total income for that year". Supposing a man is paying his insurance up to the full and paying one-sixth of his total income, presumably he gets relief for that amount. Supposing his income drops off just when he really needs every penny of his income, he is going to have to pay on half his insurance. That is what I understand that to mean. It seems to me a anomaly that should be made clear. That anomaly is the only question I have to ask, because I also intend to oppose this motion.

Mr. MUNDY: Mr. President, I should first like to thank hon. members for what they have said regarding my share in this Bill; I do very much appreciate it. I do not propose to deal with any matters

(Mr. Mundy) which might be regarded as already disposed of in the budget debate, and I think hon. members will understand why it is not necessary for me to do so.

Regarding the point raised by the hon. Member for Nairobi North, he has compared the relief which was granted in respect of children before the war with the present proposals. Those deductions which were allowed for children before the war were part and parcel of the whole system of personal allowances at that time, and I cannot accept it as having any bearing at the moment on the relief granted now as part and parcel of an entirely different system of tax liability. As regards the amount of relief it is proposed to grant in respect of children, it must be understood, as I have said before in this Council, that the amount of personal allowance of any kind is never said to represent the exact amount of expenditure which is incurred on any particular thing. I think the usual answer I give is that very few hon. members could say with their hands on their hearts that £150 represents the cost of keeping a wife (laughter), and that principle applies to children. What they represent is an addition to the total personal allowances which fixes the point at which it is regarded as reasonable for income tax to be levied on a particular total income.

I must say one word about the rosy picture, because I did particularly, in my opening speech, point out that I recognized that I should not paint too rosy a picture, and deliberately gave figures of cases in which the amount of life insurance relief was one-tenth and not one-sixth of the total income.

The hon. Member for Nairobi North also asked whether some form of alternative relief could be given in respect of the purchase of property. First of all, there is not a cast iron case for granting relief in respect of life insurance premiums at all. The matter was examined in 1920 by a Royal Commission on income tax, and it was pointed out that it had grown out of the original income tax of 1842, because it was recognized that life insurance was about the one suitable form for the poor man in which he could make some provision for old age. The relief has been developed from year to year, and the fact that there is a substantial bit of money

lying in insurance companies is an asset to a country. Secondly, the premiums paid to life insurance companies are invested and bring in income which pays income tax, and here in this Colony we do in fact receive from insurance companies quite a considerable amount of tax which arises out of the payment of premiums, so that there is a case for allowing a taxpayer some relief when premiums go into investments which in themselves pay something back to the revenue.

As regards the other point of trying to devise some means of granting relief in respect of other forms of saving, that fact has been recognized for many years. It has been examined in the United Kingdom and other countries to see whether some comparable form of relief to that obtained by life insurance premiums could be granted, and I must confess that no satisfactory solution has ever been offered. But I do say this, that I will willingly go into the question, though I cannot accept the fact that I have the sort of brain which will produce the right answer. I am afraid that I cannot promise.

The hon. Member for Klambu raised again the question of what she described as farmer's income tax, and I deeply regret as well that I did not bring my copy of my letter to her, because I know perfectly well that she asked me to deal with a case over a period of three years and finished up her letter by saying: "Well, that would in effect mean that more income tax was paid by a farmer than by a person with a fixed income". I could not accept the position, and I said that over a long period of years the reverse effect might happen. I regret that I cannot quote that letter here, I would have brought it had I known the hon. member was going to raise the matter, but at there is no clause in the Bill dealing with this particular matter I did not think it necessary. (Laughter.)

The last point was raised by the hon. Member for Trans Nzoia, the case of a man whose income fluctuates, and that he might, if his income drops one year be restricted in the amount of relief which is granted. I agree that is the case. The whole point is that if income drops so does the amount of income tax paid, and the proportion of relief which is granted is granted in respect of one-sixth of the income, whatever it may be, and

(Mr. Mundy)

that, I think, is the only way in which that can be done.

That, I think, disposes of all the points raised, and I have nothing else to reply to.

The question was put and carried by 22 votes to 9:—Ayes, Mr. Andrews, Archdeacon Beecher, Messrs. Blunt, Boyd, Cocker, Hunter, Hyde-Clarke, Johnston, Mathu, Mbarak Ali Hinawy, Dr. MacLennan, Messrs. Mundy, Patel, Patrick, Pitam, Sir Gilbert Rennie, Sir R. E. Robins, Messrs. Robbins, Stacey, Foster Sutton, Willbourn, Thornley—22. Noes, Mr. Bouwer, Mr. Edey, Major Joyce, Major Keyser, Messrs. Nicol, Trench, Vasey, Sir A. Vincent, Mr. Wright—9. Not voting, Messrs. Watkins, Absent, Major Cavendish-Bentick, Mr. Cooke, Dr. Rana, Sheriff Abdulla Salim, Mr. Thakore—5.

#### PERSONAL TAX (AMENDMENT) BILL

##### SECOND READING

MR. MUNDY: Mr. President, I beg to move: That the Personal Tax (Amendment) Bill be read a second time.

This is quite a short Bill. Its object is to fix the amount of personal tax as from the 1st January, 1947. Briefly, the position is that, where a person's total income does not exceed £60, it is proposed that the personal tax should be Sh. 20; where it exceeds £60 but does not exceed £120, it should be Sh. 40; and where the income exceeds £120 the tax is Sh. 60. The effect of the amendment is that the tax for 1947 onwards will be in those amounts. There is one alteration I should mention, and that is that the penalty provision of 50 per cent of the tax will apply to these amounts.

MR. FOSTER SUTTON seconded.

MR. PATEL: Mr. President, I beg to oppose the Bill. (Laughter.) I am going to put to the acid test those who have been loudly proclaiming the interests of the lower income groups.

It has been admitted in this Council several times, particularly by the leader of the European elected members, that the value of the £ has gone down a great deal. Before the war we were charging a tax of Sh. 15 for those whose income did not exceed £60 a year, and the purchasing value of £60 is much lower to-day. We were charging before the war

a tax of Sh. 30 for those whose income did not exceed £120, and to-day the purchasing value of £120 has gone down a great deal, and yet now we are trying to increase the tax on these poor people. That a man having an income of £60 or less a year should be called upon, at this stage when the cost of living has gone so high, to pay Sh. 5 more is, in my submission, nothing but cruelty, and to expect a man earning less than £120 to pay Sh. 40 instead of Sh. 30 is also cruelly. I know there are Indians and Arabs whose income in some cases is no more than £40 a year. There are hundreds of Indians and Arabs, particularly on the Coast, whose monthly income, with a family of three, four or five children, does not exceed Sh. 40, and now to call upon these people to pay Sh. 20 instead of Sh. 15 is, in my submission, absolutely wrong.

In the first place a tax per head is itself is not a civilized tax. It is not a fair tax, but we in this country have agreed, for various reasons, to the payment of a tax per head, but I am pointing those who have been loudly proclaiming the interests of the lower income groups to the acid test. If they support the Bill, I will take it for granted that they were merely trying, by subterfuge, to push forward the interests of a racial group. I, on behalf of the Indian members, strongly oppose these increases for these reasons I have mentioned, and I am also going to ask for a division. If the three Indian members are the only ones to vote in opposition to this Bill, that will clearly indicate the intention of those who have been saying in the debate on the draft Estimates and on the Standing Finance Committee Report that they were concerned only with those whose income was very low, and we will see how they are protecting the interests of those hundreds of Indians and Arabs whose incomes are less than £40 a year.

MR. COCKER: Mr. President, I very strongly support the previous speaker, and very strongly oppose the imposition of this very unjust tax. I do not think the hon. member Mr. Patel has left anything for me to say other than to voice the very strong feeling of opposition which exists in the mines of the average Indian who is not as rich compared with the other races in this country, particularly the European.

ARCHDEACON BEECHER: Mr. President, I, too, associate myself with the hon. Indian members who have opposed this Bill, and I should like to ask that Government should take such steps as it sees fit to prevent this legislation passing into law at the present time, in order that its bona fides in the examination of the situation as it affects the lower income levels shall be clearly demonstrated. During the Standing Finance Committee session on the Draft Estimates this year I became, as I have already indicated in this Council, more than ever convinced that it is the civic duty of unofficial members; of this Council to do all in their power to see to it that the burden of taxation and the general cost of living in respect of the lower income levels does have afforded to it that relief which the situation demands. Whereas matters of income tax over-payment are comparatively easily adjusted, I feel that the collection of personal tax that is taking place at the present time is something which, once having been collected, can never be adequately adjusted, and I would associate myself with any appeal that may come up to Government for the removal of this clear injustice at this stage, more particularly as Government has pledged itself to an examination of the situation as it affects the lower income groups, both, as I say, in respect of the incidence of taxation on such people and the cost of living in respect of them. I very much regret that I, too, oppose this motion.

SIR ALFRED VINCENT: Mr. President, I naturally expected what has happened this morning, and it is a case of glorious inconsistency. When we in Standing Finance Committee produced a plan for a proposed reduction for all races within a certain income group we were told "Yes, that might be a good scheme, but we could not agree in it until a complete scheme is put before Government arising out of the deliberations of the new fiscal committee". Now, as this point has arisen this morning, the argument goes the other way. We have been told in Standing Finance Committee to wait for the deliberations of the Committee before the scheme put up by my colleagues and myself could be supported. On the other hand, of course, the matter is entirely different according to previous speakers. Therefore, I shall certainly vote for the

Bill in order to be consistent and logical; so that the fiscal committee can examine all sources of taxation at the moment, and on their decision, or their recommendations to Government, shall we be able to review the taxation of this country generally.

MR. MATHU: Mr. President, I should like to support most wholeheartedly the views expressed by the hon. Indian members who have already spoken and of my hon. colleague on my right in opposing this Bill. Definitely it is the wrong time to impose further taxation on a poverty-stricken people, increasing the rate of personal tax to Sh. 20, as it was in 1940, at a time when the cost of living is definitely higher than at any time in the history of this country. I shall therefore oppose the introduction of this Bill, because I feel certain that relief should be given to those people in the lower income groups.

MR. VASEY: Mr. President, I, too, find myself compelled to oppose this Bill. (Some applause.) The whole of my arguments against the budget and against the Income Tax Bill this morning have been that there should be no greater burden imposed on the lower income group than is already placed upon them. Had the Government been prepared to move the imposition of the figures shown in the memorandum of objects and reasons of Sh. 15, Sh. 30 and Sh. 40, pending the result of the committee of inquiry, I should have been happy to accept it, but as it stands I cannot, I imagine there are few Asian working members of the community to-day whose income does not exceed £120 per annum—very few. There are, however, a great number of Arabs (and Africans) who just come to the £60 per annum and £120 per annum income group, and I do know how difficult it is in a place like Nairobi for these people with families to maintain a standard of living to which they have been driven and urged by ourselves. I deeply regret, therefore, that on this occasion I find it necessary to differ from some of my European colleagues, but here I stand, I can do no other, I must oppose the Bill.

MR. MBARAK ALI HINAWAY (Arab Interests): Mr. President, I am sorry that my hon. colleague, the Arab elected member, is unable to be present to-day as I am sure he would have had a great

[Mbarak Ali Hinaway:] deal to say in regard to the Bill before Council. I should be failing in my duty as representing the interests of my community in this Council if I did not point out the difficulties that will face my community if this Bill goes through as it stands.

The hon. member Mr. Patel has mentioned that both among his community and my community quite large numbers of individuals do not earn even £60 per year, and he says quite a number of them are earning about £40 per annum. I think he has exaggerated that with regard to my community. There are not even come up to the £40 income level. My community in very many cases have been forced economically to reach a stage where the majority of them have to remain as the labouring class, and, as everyone knows, there has recently been this controversy in Mombasa in regard to the cost of living of the labouring class. My community are no better off than any other labouring class, and the vast majority of them earn very much less than £40 or even £30 a year. Although, in my official capacity on this side of Council I may not be allowed to vote against the Bill or oppose it, I must point this out, that if this Bill goes through it will be imposing an injustice on my community.

SIR GILBERT RENNIE: Mr. President, I am a little surprised at the turn events have taken this morning, and I feel that in the circumstances I might say a few words. I think at a time like the present, when we are trying to advance the prosperity of this country, the rates suggested for personal tax in this Bill are not unduly large. We have heard from the hon. member Mr. Patel about the plight of those who are drawing or who are earning less than £40 a year. Under the rates proposed in this Bill such a person would pay Sh. 20, £1, which is 2½ per cent on £40, and I would suggest that at the present time those of us who really have the welfare of this country at heart should not take it amiss when we are asked to pay the small amounts of tax that are mentioned in this Bill. Even a man on £40 a year, I suggest, should be prepared, in view of the services which he obtains from the country and from the Government, to pay at least Sh. 20 out of his earnings, and if we take the

amounts of Sh. 40 in the case of those earning between £60 and £120, and Sh. 60 in the third class, those whose earnings exceed £120, I think those of us who expect to have to pay a little as our contribution towards the services we obtain should be prepared to pay these amounts.

MAJOR JOYCE: Mr. President, I find myself in the greatest possible difficulty over this particular matter. There are a number of principles involved here, and they are conflicting. It is perfectly true, as has already been said, that many of us have made the point that we wish to help those people in the lower income group. It is also perfectly true that many of us made the point that we wish to redress at least some of the incidence of taxation or, if not redress, at least some investigation into that incidence, and for that purpose we got support for the appointment of the committee that has been discussed.

Already those two principles, I think, conflict in this particular matter. There is yet a third principle that has been debated which has been incorporated in this, and you will find it in the "objects and reasons", where it says most clearly that this particular war-time tax is to be made part of the permanent taxation of the country. Many of us speak against that as a principle. On the other hand, I agree entirely with the last speaker, the hon. Chief Secretary, that by and large the amount asked for, the amount of the increase, is not one that in the proportionate number of cases will inflict hardship on those particular taxpayers, and we all agree with him that this is an occasion when we do want money for the development of the country.

As far as I am personally concerned, I find these conflicting principles so difficult that I am going to take what may be considered a cowardly step, and I am not going to vote on this motion at all.

MR. NICOL: Mr. President, while one cannot disagree with the remarks of the hon. Chief Secretary, yet the hon. Member for Uthmanba has undoubtedly put his finger on the weak spot of the measure as presented in view of the conflicting principles. I do not like this, because the Government are intending to introduce this as permanent legislation, without any restriction, because that shall go at the end of 1947, if that is the deliberation, the committee referred to



[Mr. Nicol] shall have so reported. I also object to this method of including in the permanent taxation structure of the Colony taxation which was imposed as a war measure. I shall oppose this motion.

Mr. MUNDY: Mr. President, I think I should first of all correct one or two misapprehensions. It seems to be the view that this Bill proposes to increase the amount of the personal tax which was paid last year. If there is any doubt that I want to correct it—all it proposes is the same rate of tax that was in force last year. Secondly, the hon. member Mr. Patel has pointed out that the value of the pound has fallen, and therefore the incidence of this particular tax is naturally heavier. That is perfectly true, but it also applies to other forms of direct taxation, in that income tax allowances have also declined in value. These two taxes have to be looked at together, in that the incidence has been undoubtedly increased, but it increased as a result of the fall in the value of money.

The hon. Member for Nairobi North referred to the payments—I think I understood him correctly—by Africans, but this Bill does not apply to Africans at all, only to non-natives.

This proposal for the rates of personal tax for this year is one part of the whole taxation system for the current year, and it includes income tax. Government has already agreed that a committee should be appointed to examine the incidence of taxation generally, and naturally the personal tax and all other forms of tax will come within the ambit of that committee. The hon. member Archdeacon Beecher has pointed out that if this tax is levied and we decide to make any reduction, it will not be possible to repay the excess. I would say it would be difficult to do so, but if it is decided this should be reduced during the year. I would see to it that the refunds were in fact made. I think I must leave the matter to this committee to examine, and I cannot at this stage agree that the Bill should not pass.

The question was put and carried by 21 votes to 9.—Ayes, Messrs. Andrews, Blunt, Bower, Boyd, Edey, Hunter, Hyde-Clarke, Johnston, Major Keyser, Dr. MacLennan, Messrs. Mundy, Patrick, Sir Gilbert Rennie, Sir R. E. Robins, Messrs. Robbins, Stacey, Foster Sutton,

Thornley, Tréneh, Sir A. Vincent, Willbourn—21. Noes, Archdeacon Beecher, Messrs. Cocker, Mathu, Nicol, Patel, Pritam, Vasey, Mrs. Watkins, Mr. Wright—9. Not voting, Mbarak Ali Hinawy—1. Absent, Major Cavendish-Bentley, Mr. Cooke, Major Joyce, Dr. Rana, Sheriff Abdulla Salim, Mr. Thakore—6.

### TRADERS' LICENSING (AMENDMENT) BILL

#### SECOND READING

Mr. MUNDY: Mr. President, I beg to move: That the Traders' Licensing (Amendment) Bill be read a second time.

The object of this Bill is to fix the amount of traders' licences as from 1st January, 1947. The amounts which are payable under this Bill I do not propose to read out, but the rates which operated before the war are set out on the back of the Bill. Those rates were increased by a 50 per cent surcharge, and it is proposed that the rates, plus surcharge, should now become payable in respect of all trade licences. This is a measure on the same lines as the one I have just moved, and the same principles are involved in the view of hon. members opposite, and I need say no more about it now.

Mr. FOSTER SUTTON seconded.

The question was put and carried.

### DANGEROUS PETROLEUM TAX (AMENDMENT) BILL

#### SECOND READING

ACTING FINANCIAL SECRETARY (Mr. Andrews): Sir, I beg to move: That the Dangerous Petroleum Tax (Amendment) Bill be read a second time.

The object of this Bill is to retain in force the rate of consumption tax on petrol, that is, 32 cents a gallon, which has been in force since 1941. The ordinance enforcing this rate expired at the end of 1946, but it has been kept in force by executive action under the Provisional Collection of Taxes Ordinance. Hon. members may have noticed in the report of the Standing Finance Committee on the Draft Estimates a recommendation that the consumption tax should be increased in order to form the basis for a road fund. Perhaps some hon. members may ask why the rate has not been increased in

[Mr. Andrews] To that I would reply that it is desired to await consideration of this matter by the committee which is to be appointed to deal with the question of establishing a road fund, and it will in due course be considered by that committee.

Mr. FOSTER SUTTON seconded.

The question was put and carried.

### KENYA DEFENCE FORCE (TEMPORARY SUSPENSION) BILL

#### SECOND READING

Mr. FOSTER SUTTON: Mr. President, I beg to move: That the Kenya Defence Force (Temporary Suspension) Bill be read a second time.

As hon. members of this Council are no doubt aware, the Kenya Defence Force Ordinance, which was enacted in 1937, was suspended by the Compulsory National Service Ordinance enacted in 1943; it was suspended under the provisions of section 17 of the latter measure. The Compulsory National Service Ordinance, under a proclamation issued by His Excellency the Governor early last year, comes to an end on the 24th February this year, and when that measure comes to an end the Kenya Defence Force Ordinance, without this Bill, would be automatically revived. As hon. members know, the question as to what is likely to be the military garrison of this country in the future is still not known, and Government feels that it should not formulate any definite policy regarding the Kenya Defence Force until the future garrison position of the country becomes clearer. That being so, this Bill has been introduced to further suspend the operation of the Kenya Defence Force Ordinance until such time as this measure is terminated by a proclamation published in the Gazette.

Some hon. members may be wondering what is going to happen to the Auxiliary Police Force which was formed under regulations made under the Compulsory National Service Ordinance. The legal status of the Auxiliary Police Force will automatically expire on the 24th February this year: it will go with the regulations which in their turn go with the principal ordinance. In order to cover the intervening period until a final decision is reached, the present policy has been formulated and given legislative effect to, members of the

auxiliary police have been circulated by the Commissioner of Police and asked to continue serving in that Force on a purely voluntary basis. It is intended that those who volunteer to continue to serve shall be sworn in as special constables under the Police Ordinance, 1930. We do not know what the response is likely to be at the moment. I am sorry to say that as yet it has been very poor, but there is still some time left for indicating whether they are prepared to continue on a voluntary basis after 24th February, and I hope a very large number will volunteer to continue. I take this opportunity of making an appeal to members of the Auxiliary Police Force to send a notification to the Commissioner of Police immediately, and I hope as many as possible will volunteer to serve until the final policy has been determined.

Mr. STACEY seconded.

The question was put and carried.

### CIVIL PROCEDURE (AMENDMENT) BILL

#### SECOND READING

Mr. STACEY: Mr. President, I beg to move: That the Civil Procedure (Amendment) Bill be read a second time.

This Bill has one particular merit, and that is that it is entirely non-contentious. I do not intend to go through the clause by clause, because the Bill itself is of very little interest to anyone other than to a member of the legal profession. The position is this. The Civil Procedure Ordinance itself is really in the nature of an enabling ordinance. The actual step by step procedure and the forms, and all the other routine associated with a civil action, is laid down in rules which are made by the Rules Committee of the Supreme Court. That committee consists of two judges of the Supreme Court, the Attorney General and two practising advocates. The Rules Committee have recently had under consideration the question of codifying their rules, and during the course of their labours, have discovered a very considerable number of inconsistencies, and they have recommended that, in order to iron out those inconsistencies and to reconcile the rules with the Ordinance, these amendments should be made.

Mr. FOSTER SUTTON seconded.

The question was put and carried.

## WAR REFUGEES (CONTROL AND EXPULSION) (AMENDMENT) BILL

## SECOND READING

MR. FOSTER SUTTON: Mr. President, I beg to move: That the War Refugees (Control and Expulsion) (Amendment) Bill be read a second time.

Hon. members will probably remember that in August last year this Council enacted into law the War Refugees (Control and Expulsion) Ordinance. That ordinance was designed to deal with war refugees, who were defined in the ordinance as meaning "any person who has entered into any part of East Africa during the war in pursuance of arrangements made by any Government in East Africa for the reception of persons evacuated from war areas, and is or has been permitted to enter the Colony without observance of the immigration laws".

The definition of "East Africa" in the same section of that ordinance included the Colony and Protectorate of Kenya, the Tanganyika Territory, Northern Rhodesia, the Nyasaland Protectorate, the Uganda Protectorate, the Belgian Congo, and the Mandated Territory of Ruanda-Urundi. Since the enactment of that ordinance, the position has arisen whereby we are likely to receive in Kenya certain war refugees from Southern Rhodesia, and in order to bring such persons, if they come here, within the orbit of the existing legislation, it is necessary to amend the definition of East Africa to include Southern Rhodesia.

That is the whole object of this Bill. When these people come here, if this Bill is enacted into law, they will come under the legislation to which I have already referred.

MR. STACEY seconded.

The question was put and carried.

## CUSTOMS TARIFF BILL

## SECOND READING

MR. JOHNSTON: Mr. President, I beg to move: That the Customs Tariff Bill be read a second time.

This Bill is in effect a redraft of the Customs Tariff Ordinance, 1930, as amended by one or two subsequent ordinances, and the opportunity has been taken to incorporate in the schedules of the tariff the wartime surcharges. On that point I should like to refer hon. members to the remarks of the hon.

Financial Secretary in his speech in the course of the budget debate, and to the undertaking which was then given by him. There is no new policy in the Bill and, as hon. members are, I think, very well acquainted with the customs tariff, I need not go into detail. In the committee stage I propose to move one or two small amendments. In clause 1 the year 1947 should be substituted for 1946. In item 57 of the schedule the words "and parts thereof" will be deleted, as they are covered by a clause in the interpretation section and are considered to be unnecessary. In item 160 (c) (iv) the words "The Union Defence Force Institute, the Port Welfare Committee, Mombasa, or the Kenya Red Cross Society" will be deleted. The wartime activities of these bodies do not now exist, and it has been decided that the concession in respect of these bodies contained in that item should be withdrawn.

MR. ANDREWS seconded.

MR. PATEL: Mr. President, I want to make a few comments on item 145, page 17 of the Bill. Lately I have received representations from Indian passengers coming from India in regard to the interpretation of the words "necessary and appropriate wearing apparel and personal effects". I also had occasion about two months back to see Mr. Lord, the then Acting Commissioner of Customs, to try and find out if anything could be done. The difficulty is that the officers on duty have wide discretion in deciding what is a reasonable quantity of personal effects or wearing apparel. In the case of Europeans no difficulty arises, because the officers concerned know the social status of the passenger concerned; in most cases he is able to exercise his discretion correctly when the passenger comes from Europe. But when he comes from India the difficulty is that he does not know the position or the status of the Indian passenger concerned. One officer will allow a passenger to bring in 30 saris and another officer will say "No, 60 saris should be allowed". The number of saris over that amount are confiscated. If a passenger comes from Europe with five pairs of shoes, he is allowed to bring them in, but if an Indian passenger comes with five pairs of shoes the officer concerned may say "No, you are only allowed one extra pair of shoes" and the others are confiscated.

I asked the Commissioner of Customs to see if there was any method by which

[Mr. Patel]

Indian passengers coming from India could know how much in the way of personal effects, wearing apparel or other articles would be allowed to him. It is very difficult to lay down a hard and fast rule, but at the same time there should be some method by which the passenger could be saved from losing his articles of clothing. If a person from India brings in wearing apparel or personal effects in excess of the quantity allowed, he should be charged extra duty on it. The discretion of the officers concerned varies according to the officer. I think it is very unfair under the circumstances to confiscate a passenger's personal effects. If the hon. member assures me that he will be prepared to do something, by administrative instructions, I shall be satisfied.

ARCHDEACON BEECHER: Mr. President, I rise to make a formal protest against the Bill now before Council. It has been said, and said with very considerable justice, that in this country there is nothing so permanent as a temporary arrangement. My protest is against the incorporation in the customs tariff schedules at this stage of the surcharges which were imposed as a wartime expedient. I am fully aware of the fact that the hon. mover has drawn the attention of Council to the remarks of the hon. Financial Secretary during the course of his budget speech, but again I must protest against Government's action in incorporating into what is tantamount to permanent legislation wartime taxation, at a time when the whole matter is *sub judice*. Once again, I am concerned on behalf of people who are hit most by the rising cost of living. The examination, I would repeat, that I undertook during the course of the Standing Finance Committee investigation of the budget led me to believe that the high cost of living is in some very considerable measure affected by the incidence of customs tariffs and customs surcharges on essential items in the cost of living indeed, and I wish to protest against the incorporation in permanent legislation of a schedule which carries over into the days of peace wartime surcharges, when the whole question is under promised examination.

It would have been a gesture on the part of Government, demonstrating its bona fides, which would have been much

appreciated at this particular time if the Bill had been held up or if it had been presented in a form different from its present form, and if these wartime surcharges had not been incorporated in the tariff. I regret that in this matter, even if I am a lone voice, I must protest against the Bill and vote against it.

MR. VASEY: Mr. President, I too should like to register my protest against the incorporation of wartime surcharges in this Bill, and so, if I support the Bill, it is only on the understanding that there will be no prejudice in the matter when it is laid before the committee of inquiry.

One other point. On several occasions in this Council I have asked that consideration should be given to a rebate on the customs tariff as an assistant to secondary industry. I am a Director of the E.A. Bata Shoe Co., and therefore I may be taken to some extent as an interested party, but it is not the case of one company; it is the case of the very vital, if small number, of secondary industries of the Colony that I am pleading. In Southern Rhodesia in 1921, Danziger's time, the Government of Rhodesia adopted the principle that where goods were imported for use in manufacture they should be imported free of duty. I should like, since these are the only accurate figures I can give you some of the figures, to show the effect; for instance, the manufacture of shoes. Ours is a business where we have to compete with other countries and where we are, in turn, fighting for an export trade. The position at present is that, due to the difference in the two policies and because of the price difference caused by that policy, we are losing contracts to our Southern Rhodesian factory. That, I may say, will eventually have a bad effect upon the economy of the industry in this country. On such things as white drill and materials of that kind we pay 22 per cent. On such things as whiting we pay 31 per cent. Here is a list, some three pages long, of items on which we pay 22 per cent. and 11 per cent. and 25 per cent. duty, and the total imported duty is £2,345,137, and the value of the total is £5,275,534. That, in effect, has to be passed on to consumers, or it has to be taken into account when we are pricing goods for export competition, and it is, I may say, a very heavy handicap.

[Mr. Vasey]

I have suggested before that this matter should be given consideration. There is probably, I think, provision for it, but it has not been adopted as policy, and that is an important factor. I quote that without fear of denial from the experience of my own company. I imagine the same thing applies to other secondary industries, and I would suggest that Government should consider what is to be its policy of assistance. I am not in favour of protective tariffs and never have been. I believe this system of rebates is by far the better way and I can say, certainly on behalf of my own company, that we would not mind what taxation you imposed on the profits, as long as we were given the basic price with which we could compete not only in our own markets, but in markets abroad which, from the point of view of the Colony, are very important.

MR. EDYE: Mr. President, a few days ago, in speaking to the Standing Finance Committee report, I drew attention to the fact that unless speed was the essence of relief in regard to indirect taxation, and Government were not tardy in instructing the committee which is being appointed to inquire into fiscal matters and to deal with the question of indirect taxation, there was no chance of giving retrospective relief in regard to money which has been extracted from the pockets of the taxpayers during the period of examination. No reply was given by the hon. mover of the motion concerning the Standing Finance Committee report, and unless it can be very unequivocally stated this morning that Government intend to deal with the matter expeditiously and that they have no intention of incorporating this Bill as permanent legislation and will make every effort to deal with that important matter, I shall be forced to vote against it.

THE PRESIDENT: There are a number of points that have been raised during the course of this debate on which the Government would like to have time for consideration. Therefore the debate on this Bill will be adjourned until to-morrow morning when the session will be resumed.

The debate was adjourned.

#### ADJOURNMENT

Council adjourned till 10 a.m. on Wednesday, 5th February, 1947.

Wednesday, 5th February, 1947

Council assembled in the Memorial Hall, Nairobi, at 10 a.m. on Wednesday, 5th February, 1947, the hon. Member for Health and Local Government (C. E. Mortimer, Esq., C.B.E.) presiding.

#### MINUTES

The minutes of the meeting of 4th February, 1947, were confirmed.

#### CUSTOMS TARIFF BILL

##### SECOND READING

The debate was resumed.

SIR ALFRED VINCENT: Mr. President, we know that the whole of the customs tariff is to be reviewed. We have, despite what was stated yesterday, made it very clear to Government and the country that we are determined that the cost of living must be reduced, and Government has already agreed that, if it can be reduced by the reduction of the customs tariff, then it would be worth while for Government to sacrifice a substantial amount of revenue to alleviate the position. In this Bill, however, as presented, we find that in its schedule it gives consolidated figures; that is to say, the surcharges which were given separately before have now been added to the ordinary rate of customs duty.

We want to have this position clarified. Government realizes, I believe, and we certainly press, that it is essential that this review takes place at the earliest possible moment. Therefore we wish to make the following representations: that we receive an undertaking during this debate that it is the intention of Government that this matter shall be dealt with immediately the committee is appointed to go into fiscal matters; that, prior to that, every endeavour is made, either through the Economic Adviser to the Government, or through the work of a separate committee, to accelerate recommendations on this question; and that Government recognizes that this is not permanent legislation as is generally known, but is merely a continuance of the present rates until a decision has been made as a result of the deliberations of the committee to be appointed. We would also ask that the rates given in the schedule be split up as between the ordinary rate of duty and the surcharge, so that there will be no excuse

[Sir A. Vincent]

on the part of Government to say "We have lowered it from X figure, which should be considerably lower in fact in comparison with pre-war rates of customs duty".

I hope that the country can be reassured once again by Government, but in the opening speech the Financial Secretary, on this matter, rather slid over, as I have said, this question of the essentiality of relief in respect of indirect taxation.

MR. FOSTER SUTTON: Mr. President, I should like to assure hon. members that there was absolutely no sinister motive at all in including the surcharges in the basic tariff. As a matter of fact, I and my hon. friend the Financial Secretary, who is now absent from Council, are the niggers in the woodpile.

We had a discussion, as it seemed to me that it would be of assistance to the general public if we consolidated existing legislation and had all the legislation in one volume, so to speak, and following that we came to the conclusion that it would be easier for the public if the surcharges were consolidated, because then you only have to look at one column to tell immediately what the duty payable is. If I may say so, there is nothing so impermanent as a customs tariff schedule. In most of the countries I have hitherto served in we have amended them almost at every session of our councils, and I can give this definite assurance that there is no intention by the consolidation of the two sets of figures to make it permanent legislation.

As Council has already been told, there is to be conducted, in the immediate future, a thorough investigation into the whole of this tariff schedule, and when that investigation has been concluded it will be necessary to come back to Council and introduce a new Bill completely revising the schedule. The hon. Commissioner of Customs' predecessor, Mr. Lord, and I, when the Bill was being drafted, had a discussion, and he pointed out that there are any number of anomalies in the tariff which require very early adjustment, and it is the intention, as Council has already been informed, of Government to see that work carried out without any undue delay.

I cannot be more categorical than I have been in saying that it is not considered permanent by Government. There is an intention to look into this Council or the country. It was merely done because we thought it would be easier for members of the public, and it was a more convenient method of dealing with the matter.

Following that up, I might mention, refer hon. members to what was said by the hon. Financial Secretary during the debate on the Draft Estimates. He said: "For the rest, it is proposed that the other surcharges should be incorporated in the main tariff and that the surcharges on beer, wines, spirits, vermouth, tobacco, cigarettes, snuff, motor spirit, and oil should all form part of the permanent tariff. Sir Wilfrid Woods recommended that the surcharges on other items should be removed as and when the goods affected become in free supply. These surcharges it is proposed to incorporate in the main tariff for the time being, but I can—and this is the important part—"but I can give an undertaking that the East African Governments have undertaken to examine each of them with a view to removal as and when the goods affected become in free supply, and appropriate amendments to the Customs Tariff will be moved from time to time." I am hoping that when the inquiry has been conducted we shall be able to introduce a measure in this Council that will allay any doubts hon. members of the country at large may have.

MR. NICOLL: Mr. President, I was, I must say, alarmed at first when I saw this Bill incorporating the surcharges into the main tariff, because, as Tanganyika, I understand, they had the surcharges shown separately in their Bill, because of a feeling that does have a certain psychological effect on the people affected. There is a feeling abroad that it was the intention to try and put a tax one across the community, but in view of the very definite assurance which has just been given by the hon. Attorney General, and his repetition of the speech of the hon. Financial Secretary during the budget debate, in view of the categorical assurance that it is not the intention of Government to incorporate, for all time, the surcharges in the permanent tariff, nor that there is any

[Mr. Nicol]

his sinister motive behind this Bill, I think the fears which were at the back of my mind and those of other people have now been removed. I am therefore prepared to accept this Bill, with those very definite assurances which Government has given.

I should like to say one thing, and that is I do hope the investigation promised will be got on with without any delay. It is a very urgent matter and one that must be attended to right away. I quite realize that consultation will no doubt have to take place with Tanganyika, in view of the customs link up between the two territories, but that should not cause any delay. Once again, in accepting my hon. friend's assurance on behalf of Government, I have pleasure in supporting the Bill.

MR. MATHU: Mr. President, I did not intend to speak on this motion, but I should like to say a few words after hearing the Government spokesman on this Bill. Firstly, I think, and my hon. colleague, Archdeacon Becker, is with me here, it would help matters if Government would in the schedules give us three columns—the tax relief (that is the customs duties column), and the surcharge, and then the total, for each individual item in the schedules. Then the country would know exactly what they are in for. When all those figures are consolidated a lot of misapprehension can arise. I also suggest that it would be further reassuring if Government would indicate in their assurance how long one can expect these surcharges to go on for, because simply saying that it is not the intention of Government to put this in permanent legislation is not quite satisfactory. If, on the other hand, it is impossible for Government to say how long they will continue these surcharges or to give a time limit, then I think it would be best for the country and this Council to know exactly how long they expect us to wait before this can be gone into.

MR. MBARAK ALI HINAWY: Mr. President, I wish to make one or two points in regard to the schedule to this Bill and that is the position in regard to certain foodstuffs that are used by the poor people, and particularly those at the Coast.

It has been the case during this war, in regard to the shortage of foodstuffs, that Government has on very many occasions waived the duties on dates, salted fish and salt, recognizing that these are essential foods for the Africans and Arabs, particularly on the Coast and particularly of the poor classes of the population. Now I find that it is Government's intention to include these foodstuffs in the tariff, not only charging duty for them, but very heavy duty. For instance, the charge on salt alone is Sh. 2 per 100 lb. Salt is a very essential item in the human diet, and particularly the poor people. It is very important that that foodstuff, if not duty free, should be charged a very low rate indeed. This country, I think, produces a certain amount of salt, but it is not enough to go round even on our province, and I cannot see why we should charge such a heavy duty on imported salt when we ourselves do not manufacture much, and therefore there is no excuse for protecting that industry. The same thing applies in regard to dates. Dates are not produced in this country, and they are an essential food for the poor people. The tariff as it is shown here is Sh. 4/40 per 100 lb. That is a very heavy duty indeed, and I think that we are not helping the poor people by imposing such a heavy duty on this item.

In regard to salted, dried or preserved fish, the tariff is Sh. 2/20 per 100 lb. This particular type of fish is not produced in this country, nor can it be obtained in this country, and it has to be imported. Because it is an essential food for Arabs and Africans, and because of the shortages of foodstuffs at this time and the cost of meat being so high, it is only right that the poor people should be assisted in obtaining this type of food, at least at a very low cost.

I hope Government will consider this particular point of view and reduce the tariffs in regard to these particular items.

MR. COOKE: Mr. President, I did not intend to speak, but I should like to support everything that has been said by my hon. friend Mr. Mbarak Ali Hinawy. I think he has made a very good point on this particular matter, and I should like to support strongly the reduction of customs duty in respect of the items he has mentioned.

MR. JOHNSTONE: Mr. President, in connexion with the point put forward by the hon. member Mr. Patel, I would like to inform him that it is not correct to say that the interpretation of "baggage" in tariff item No. 145 is left to the discretion of the particular officer on duty. For the last two years a departmental order has been in force as regards Asian female passengers concerning certain concessions as to their clothing as baggage. Any number of used saris are admitted duty free, but where the total number of saris used and new exceeds 20 duty is only charged on the number of new saris in excess of 20. The tariff item No. 145 states, among other things: "Bona fide baggage shall consist of—necessary and appropriate wearing apparel". Admittedly in the case of Asian female passengers it is more difficult to judge their status than in the case of incoming passengers from Europe, but I think the scale now in force is reasonable. However, if the hon. member has any suggestions to make I shall be very glad to hear them, and will certainly remove any injustice which can be proved to my satisfaction to exist.

I was glad to note that the hon. Member for Nairobi North in his plea for consideration of secondary industries suggested assistance in the shape of a rebate or rebates and not by means of a protective tariff. His appeal deserves very sympathetic consideration. The system referred to is in force in other parts of the world, but it is a question which is embodied in the general policy, and I think it is an important point which will come before the committee which will deal with the tariff revision.

In reply to the hon. Mr. Mbarak Ali Hinawy, I would say that the concessions which he now asks for have been in force for some time. All the items he refers to are at present exempted from customs duty. I think that in East Africa these exemptions were brought into force three or four years ago, they were repealed when the food situation improved, and were introduced again at the beginning of last year.

As regards the request for a speeding up of the revision of the tariff, no one

will be happier than the Customs Department when that takes place. The tariff is antiquated, it has not kept in step with modern practice in the commercial world, and hardly a day passes but we are faced with curious anomalies in the tariff resulting from attempts to interpret the schedule.

The question was put and carried.

#### EXCISE DUTIES (AMENDMENT) No. 2) BILL

##### SECOND READING

MR. JOHNSTONE: Mr. President, I beg to move: That the Excise Duties (Amendment) No. 2) Bill be read a second time.

This Bill seeks to consolidate the existing surcharges along with the excise duties contained in the schedule to the principal ordinance. No new policy is introduced, and I think I need not take up the time of the Council by going into details.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### CUSTOMS MANAGEMENT (AMENDMENT) BILL

##### SECOND READING

MR. JOHNSTONE: Mr. President, I beg to move: That the Customs Management (Amendment) Bill be read a second time.

The memorandum of objects and reasons sets out very fully the objects of this Bill, which may briefly be stated to be the desire to continue in peace time a small war time amendment to section 135. Under that section goods which are imported free of duty by reason of the fact that they are the property of Government, are liable, if sold to persons to whom that concession is not extended, to duty, but it was found desirable in 1942 to give discretionary power to the Government in many cases, and the amendment proposed is to continue that discretion in the principal Ordinance.

MR. FOSTER SUTTON seconded.

The question was put and carried.

UPLANDS BACON FACTORY  
(KENYA), LIMITED (CONSTITU-  
TION) (AMENDMENT) BILL.

SECOND READING

MR. BLUNT: Mr. President, I beg to move: That the Uplands Bacon Factory (Kenya), Limited (Constitution) (Amendment) Bill be read a second time.

This short Bill is necessary to enable the intention of the original ordinance to be properly carried out, and it arose in this way. It will be recalled that in 1941 this Council agreed to a cess being collected on all pigs supplied to the factory in order to form a fund to take over the factory from Government, then the original owners. A circular was sent out at the time to all producers pointing out that a cess of 3 cents per lb. on bacon and porker pigs would be collected and that each supplier would be charged with 150 lb. per pig for baconers and 80 lb. per pig for porkers. The cess was collected and calculated on the actual pound weight of bacon pigs or porkers supplied.

Unfortunately, it was not found possible to keep the accounts fit that exact manner (laughter), and collection of cess was by actual weight, but the records were kept by the numbers of pigs rather than by the exact weight of the pigs. (Laughter.) Now that it is a question of issuing shares, it is not possible to go back to an exact weight basis, for the information does not exist of the actual pound weight whether bacon or pork which was supplied by each individual. But there is a complete record of the number of pigs, and it is therefore necessary to issue shares on the basis of the actual numbers. It so happens that the weight of pigs supplied does not tally exactly with the figures put down. (Laughter.) They averaged very slightly below, so that it is not possible to issue shares on the basis of poundage weight, having only a record on the basis of numbers. The sum therefore works out at Sh. 4/48.35 cents on each bacon pig delivered and Sh. 2/39.12 cents in respect of each porker pig.

The Bill seeks to alter the schedule to enable shares to be issued on this basis, and clause 2 makes a slight consequential amendment which is necessary to carry out this purpose.

MR. FOSTER SUTTON seconded.

MR. NICOL: Mr. President, I find not intended to intervene, but having had this explanation from the hon. Director of Agriculture I should like to know whether that is normal Government accounting practice that we have had an example of, because it not only looks to me like cooking the accounts but cooking the bacon too. (Laughter.)

MR. BLUNT: I would not like to say whether this is normal Government accounting practice, but it is the way in which the accounts were kept, and there seems to be nothing else to be done about it except to accept the position. (Laughter.)

The question was put and carried.

COFFEE (MARKETING) (AMEND-  
MENT) BILL

SECOND READING

MR. BLUNT: Mr. President, I beg to move: That the Coffee (Marketing) Bill be read a second time.

This, I hope, will not be quite so difficult to explain as the last Bill! Members of Council will remember that the original Ordinance was passed only a year ago, and that its passage followed a very considerable and lengthy consideration in select committee. Things have slightly altered since that time, in that in the intervening period we have been offered by the Ministry of Food a long term contract for the purchase of a large portion of our coffee crop. That contract is regarded, I think by everybody, and by a very large majority of the coffee producers, as a satisfactory contract, and they wish to enter into it.

But it would not have been practicable for the board, which has a life not as long as the proposed contract, to enter into that contract, because one of the contracting parties would have ceased to exist before the contract was completed. This Bill, therefore, seeks to prolong the life of the board from the 30th June, 1949, when it was originally due to expire, to the 30th June, 1952, to enable it to remain in existence during the contract period. There is also in the Bill a further small alteration in section 2, which is by way of clarification, and makes it clear that the board can sell to the Ministry of Food. It is proposed in

(Mr. Blunt)

the committee stage to make a slight amendment to that section by deleting the word "otherwise", which does not seem to be very clear or very necessary.

MR. FOSTER SUTTON seconded.

MRS. WATKINS: Mr. President, I rise to support the Bill, and on behalf of the coffee planters, the great majority, I would like to say that I think this arrangement that has now been made is very acceptable to us. We are very grateful to the hon. Director of Agriculture and those other people who have taken very considerable trouble to acquire this contract for us. It is certainly 6,000 tons, and in a good year I believe we could expect to sell 10,000 or more tons; but still, it is a large proportion.

There is one point I should like to clear up in the minds of everybody, and that is, that the average price that has been stated in the newspaper is not the average price the coffee planter receives, because the average is, as far as we see, struck between the high and low price and, as everybody knows, even the very best planters in this country get quite a small percentage of grade A1 but quite a large percentage of medium, and a still larger percentage of lower grades, so that when people think a coffee planter is getting a tremendously good sale on this contract they must remember that the average price is not the actual average that even the best farmers receive.

Nevertheless, we are very grateful for the contract, and hope very much that it will continue beyond these six years. I think the coffee planters are far more united than when I first came on to this Council. It has been the work of a great many public spirited people who have given a lot of time, and I should like to express publicly my gratitude for their efforts.

MR. BLUNT: Mr. President, I should only like to say this. The hon. Member for Kiambu mentioned the Director of Agriculture as being one of the people largely responsible for this, but honour where honour is due. I have had very little to do with the securing of this contract, and the responsibility lies with the Coffee Board and Mr. Roger Norton, and they are the people who deserve the coffee planters' thanks. (Hear, hear.)

The question was put and carried.

EXCESS PROFITS TAX (AMEND-  
MENT) BILL  
SECOND READING

MR. MUNDY: Mr. President, I beg to move: That the Excess Profits Tax (Amendment) Bill be read a second time.

This is the winding up Bill which I have promised on a number of occasions. Its main objects are, first of all, to deal with what I would describe as deferred expenditure, that is, expenditure incurred after the date on which the excess profits tax ceased but which ought properly to be carried back in some measure against excess profits; secondly, it deals with liability of professional people to the tax; thirdly, with profits liable to excess profits tax both in the United Kingdom and in Kenya; fourthly, the final determination and disposal of the tax.

Excess profits tax is a complicated tax, and its incidence varies in practically every case, and I adopted the rather unusual course in taxation matters of writing in September, 1945, to all people who had been affected by the tax and to trade associations, chambers of commerce and other public bodies inviting them to put forward their views on what action should be taken before the tax was finally disposed of. I think that course was fully justified, and a white-hot fever people looked on it as a historic opportunity of writing in and suggesting that the whole tax should be repealed and every penny repaid. I did have well over a hundred letters, memoranda, and other documents sent to me, and I had meetings with representative bodies. From those letters and correspondence and meetings I think I may say that everyone who wanted to has had his say on this matter of excess profits tax. I would like most publicly to thank those people who went to the trouble, the very considerable amount of trouble, in putting their views before me. It is my experience that if I ask for assistance from the general public, I always get it, and most generously.

The representations which were made to me were summarized in the booklet published by my department in July of last year, and in it were set out Government's proposals in regard to them. As that booklet has been published now for nearly eight months, there

[Mr. Mundy] ... the first part of the Bill covers deferred expenditure, dealt with in clause 3, and that is divided into three separate items. First of all, development expenditure; secondly, capital expenditure; generally; and, thirdly, revenue expenditure. I shall describe the sub-clauses of that clause as it is in the Bill, but there is one important amendment which I will deal with afterwards. I shall describe the measure now as it is actually printed.

As regards development expenditure, under s. 6 (8) of the principal Ordinance it is provided that where excess profits made in mining, agriculture, etc., is expended on developing, extending, or improving the business, that expenditure may, subject to the approval of the Board of Revenue, be set off against excess profits. It has been represented to me that, owing to the shortage of supplies and materials, many people who had development schemes were quite unable to carry them out by the date on which the tax terminated—that was 31st December, 1945—and that they should be allowed a further period in which to complete these schemes and gain the benefit of the relief which was originally intended in the Ordinance. Government recognized that a good case had been made out, and in clause 3 (a) of this Bill it is proposed that all expenditure which has been incurred up to 31st December, 1947, shall be allowed as an expenditure against excess profits tax. That deals with development expenditure.

As regards capital expenditure generally, section 8 (10) of the Ordinance as originally enacted provided that where buildings, roads, plant, or machinery had been provided for a business since the 1st September, 1939, and if those assets had decreased in value by a date to be fixed after the end of the war, then the amount of the decrease, provided it arose as the result of the consequences of

the war, could be set off against excess profits tax. During the war it has been quite impossible for industry to renew plant generally—it has had to continue with old and worn out stuff and make the best use it could with locally produced spares or replacements. It is a fact that no advantage, or little or none, could be taken of that particular section because of the shortage of supplies and materials, and new and up-to-date machinery could not be purchased and the loss fully set off against the tax.

The Government also recognizes that in this Colony it is essential that old and inefficient machinery and plant generally should be replaced. It is therefore proposed that section 8 (10) should be repealed and replaced by a new section granting relief on a much wider basis.

What is now proposed is that all buildings, roads, plant, machinery, patent or manufacturing rights which have been provided for a business between 1st September, 1939, and 31st December this year, shall be subject to a writing off allowance in respect of loss in value. It is proposed that any of these assets—which I will refer to collectively as plant—that if they have decreased in value at the 31st December, 1947, then the amount of the decrease, after deducting from it any wear and tear allowance which has already been granted, either for excess profits tax or the two years 1946 and 1947 during which no excess profits tax was in existence, that loss in value may be carried back and charged against excess profits. In the case where plant is sold or scrapped, there can be no question but that the loss can be ascertained and charged against excess profits. It was represented to me that it would be extremely difficult to value plant at 31st December, 1947, and it is therefore proposed in the Bill that, irrespective of the actual fall in value of this plant, the value should be taken to be two-thirds of the written-down value, so that it means that one-third of the money spent on plant of this kind may in fact be carried back and charged against excess profits. I hope that that proposal will be of the greatest benefit to people who are prepared to spend their excess profits in improving and developing their businesses.

The third item of deferred expenditure is what is called current expenditure;

[Mr. Mundy]

that is to say, that during the war years that is quite impossible to carry out the ordinary running repairs and renewals, expenses in connexion with leave pay and passages could not be incurred, and all expenses of that kind should, quite properly, be charged against excess profits.

Under section 6 (14) of the Ordinance as it stands there is power to transfer out items of expenditure from one accounting period to another, if it is properly attributable to the other period. It is proposed to extend the provisions of section 6 (14) up to the 31st December, 1947, so that any deferred expenditure which is incurred before the 31st December this year can be carried back and charged against the profits of the period in which that expenditure ought properly to have been carried out. There is also special reference to bad debts. It was represented to me that if at the 31st December, 1945, there were debts, believed to be good, which had arisen during the life of the excess profits tax and which in fact paid that tax, and if these debts became bad afterwards, it was agreed that the loss should be carried back against excess profits. This is not in accordance with what we call established taxation practice or law, but Government agrees that that is a just relief and should be granted.

As regards all these items of deferred expenditure, they cover the whole field of development, general capital expenditure, and current running expenses; in each case it is laid down, as I have explained, that to obtain the benefit of the relief the expenditure must be incurred by the 31st December this year. This relief was completed about March last year, when I was assured by importers and a number of business men that, in their view, at that time, a couple of years would be long enough for the simply position to ease, thus enabling people to carry out this expenditure. It is now, I think I may say, abundantly clear that it will be quite impossible for this expenditure to be cleared by the end of this year, and if the provisions of this Bill were adhered to, it would mean that there would be a scramble for supplies and materials at a time when the supply and position is extremely difficult, and it would only add to our troubles. It is

proposed, therefore, that in the committee stage an amendment should be moved to add a new section to the Ordinance which will cover generally this question of expenditure. What it is proposed to do is that, if the owner of a business has been compelled to defer expenditure which he intended to carry out during the year 1947, or I should say, before the 31st December, 1947, and if, having carried out that expenditure, he would have obtained the benefit of the reliefs in this Bill, then he will be granted an extension of time in which to carry out the expenditure.

It is difficult to lay down a fixed time during which that can be done; the circumstances will vary with each trade, though it is necessary to bear in mind that the Excess Profits Tax Fund must be wound up as soon as possible, so that the money may be available for general development, and secondly, the further we get away from the 31st December, 1945, when the tax ceased, the more difficult it will become to decide whether expenditure can really relate to the war years or not. It is proposed, therefore, that where any owner of a business intended to carry out expenditure and was unable to do so, he may submit to the Commissioner a schedule of the actual expenditure it was intended to carry out, and he would have to set it out in sufficient detail to make it clearly understood exactly what he intended to do and what he was prevented from doing by reason of the supply position. If he does that, it is then proposed that the Commissioner should have power to time grant any reasonable expenditure can be in which that expenditure which I incurred. The interpretation which I would put on the words "reasonable extension" would be that, obviously the time will come when anyone who intends to carry out any development plan or expenditure will be able to do so. When that time arrives, if the person who has put in a schedule of expenditure just will not do it, then I think it would be right to say to him, "You are now have every facility to carry out this particular expenditure; if you are not willing to do it; work; there is a contractor waiting to do it; if you do not do it, that is a time it, and when that time expires, if you simply and when that time expires, the expenditure, have not carried out the expenditure, then you will not obtain the benefit of these proposals"; I think the proposed



[Mr. Mundy].—The amendment should fully meet the representations which have been put forward to me and which, I think, represents the only serious criticism of this Bill.

That disposes of the question of deferred expenditure.

The next item is the question of the tax on professions. Here I have received the strongest representations possible, better because these gentlemen are better able than most people to submit written documents, but I am satisfied that they have made out a case for some additional relief. When the original Ordinance was considered in this Council in 1941 it was referred to a select committee which also examined the question, and that committee recognized that the position of the professional man was different from the normal trader, and they recognized that difference by the addition of £250 to the standard profits in respect of each working proprietor, as described in the Ordinance. The point is that the professional man employs little or no capital in his business. It is said, and I think quite rightly, that his capital is his brain, and when we look at that position in relation to what I have just said on deferred expenditure, it is quite impossible for the professional man to carry out deferred repairs to his brain, or to employ further capital expenditure, or to employ additional capital in the business, and obtain the advantage of the allowances which are granted to industry generally for the increased capital employed in the business. Taking all these factors into consideration, it is proposed to increase the addition to the standard from £250 to £750 for the last two years of the tax, and I consider that is a very generous settlement of a somewhat difficult but good case.

The next part of the Bill deals with double taxation in Kenya and the United Kingdom and it is, I think, the most complicated taxation matter with which it has been my misfortune to deal. It would, I think, take me a couple of days, and I should need a blackboard to explain it fully, and I propose only to illustrate the principles involved by a very simple example, but which does not precisely set out the practical effect. Under section 12 of the Ordinance as

originally enacted there was power to enter into a form of arrangement with the United Kingdom to grant relief in respect of double taxation, but, before this Government had an opportunity of entering into these arrangements, the United Kingdom law was altered by providing for a 20 per cent refund of the excess profits tax paid at the rate of 100 per cent in the United Kingdom, as a post-war refund, and when I came to examine the terms of these proposed arrangements in conjunction with the 20 per cent refund, it immediately became clear that the arrangements would not provide equitable relief to concerns which were trading or operating in this Colony and were also liable to tax in the United Kingdom. It was found necessary to re-examine the whole position, and it was found that, if no arrangements were entered into, the position would be that in the United Kingdom any tax paid in East Africa would be allowed as an expense in computing United Kingdom excess profits tax and, as the tax in the United Kingdom is charged at 100 per cent, it would mean that the whole of the tax paid in East Africa would in effect be relieved in the United Kingdom.

Here is a simple example. If the profits were £1,100 and the standard profit was £1,000, the excess profit would be £100. In the United Kingdom the gross tax would be £100. In East Africa—~~or~~ Kenya rather—at 60 per cent the tax would be £60, but that £60 could be charged as an expense in the United Kingdom, with the result that the United Kingdom tax would be £40, East Africa £60, or in total 100 per cent excess profits tax. That position would be satisfactory but for the post-war 20 per cent refund, and it is obvious that when a claim is made in the United Kingdom for the post-war refund of 20 per cent, all that would be repaid would be 20 per cent of £40; that is £8, instead of £20 (20 per cent of £100) which the taxpayer naturally expected to get. In order to remedy that, it is proposed that 20 per cent of the tax paid in Kenya shall also be refunded on exactly the same terms and conditions as those prevailing in the United Kingdom, so that, although the taxpayer has paid originally a gross 100 per cent between the two countries, he would receive a 20 per cent refund in both countries, and his net tax in the end would still be 80 per

(Mr. Mundy).—cent; but he would get his full post-war refund.

That would dispose of the excess profits tax problem, but when we come to income tax there is a further difficulty. In the United Kingdom the full United Kingdom and Kenya excess profits tax is a deduction for income tax purposes. In Kenya, the United Kingdom excess profits tax is not a deduction, so that in the case which I have just illustrated the United Kingdom income tax assessment would be £1,100 less both excess profits taxes (a gross £100) and the charge there would be on £1,000 at Sh. 10 in the £. But in East Africa it would be on £1,100 less East Africa excess profits tax only; that is, on £1,040, and the relief which would be granted in the United Kingdom in respect of the double income tax would be on £1,000 only at Sh. 4, leaving a liability in East Africa on £40 at Sh. 4 in the £, being exactly the amount of income or profits which were in fact paid away to the United Kingdom in United Kingdom excess profits tax. To remedy that position it is proposed to amend the ordinance so that in Kenya the full United Kingdom and Kenya excess profits tax is deductible in computing income tax here. So we should then be in the position where we have got the excess profits tax tidied up; secondly, we have provided the full 20 per cent refund which the United Kingdom concern is fully entitled to; and thirdly, we have got the two income tax assessments on the same basis, so that the full double income tax relief can be granted.

To give effect to those proposals, clause 5 of the Bill provides for the United Kingdom excess profits tax to be deducted in computing Kenya income tax. Clause 6 provides in the first part of new section 25 that the 20 per cent post-war refund shall be repaid, and then the new sections 25, 26, 27, 28, 29, 30 and 31 merely copy the exact provisions in the United Kingdom Finance Act, setting out the terms and conditions under which post-war refunds are made in the United Kingdom. I do not think it is necessary for me to attempt to explain them, because in practice what would happen would be that, if a United Kingdom concern satisfies the United Kingdom authorities that it is entitled to the post-war refund there, we here shall

be able automatically to repay the rest of the post-war refund in Kenya. I do not propose, therefore, to go into those sections at all; sufficient to say that, broadly, the terms and conditions on which the post-war refund will be made in the United Kingdom is that the refund will be used for extending and re-equipping the business.

One further point on that. In the United Kingdom the amount of this post-war refund will be liable to United Kingdom income tax, at the moment at Sh. 9 in the £. Unless provision is made here, the Kenya refund would not be liable to Kenya income tax, although it would be liable in the United Kingdom. If it is proposed, therefore, in a separate income Tax Bill which is down on the order paper and which I might refer to here, to make the post-war refund liable to Kenya income tax, the total refund will be the same amount in each country. It would be charged United Kingdom tax at Sh. 9 in the £, and the tax paid in Kenya at Sh. 4 will be set off under the double tax relief provisions. I hope I have now, at the same time, disposed of the short Income Tax Bill which is connected with this double tax arrangement.

I have disposed of quite a large proportion of this Bill which makes it look, I hope, much less formidable (Laughter). In clause 6 it is proposed to add two more sections to the Ordinance. No. 22 deals with the question of the final determination of the tax. I am sure most taxpayers who have paid this tax want to see the thing out of the way and know they have disposed of their liability and that they can go on making their financial arrangements, assured that it will not drop up again. What is proposed to do is that by the 30th June, 1948, all cases will be regarded as finally finished with, except those in which either the Commissioner sends a notice to the taxpayer, or the taxpayer sends a notice to the Commissioner, to say that they do not agree that the matter is settled at that date. Naturally the Commissioner will send it in cases where he thinks more taxation should be paid, and the taxpayer will send it where he thinks he is entitled to some repayment. I should just say that the responsibility to send out a notice that the liability is not settled, and if the taxpayer does not receive a notice, then that will dispose of the matter once

[Mr. Mundy] and for all. That will mean that there will then be what I would call a list of undetermined cases. We will know exactly what we have outstanding, and the department can get on with the job of disposing of these cases as quickly as possible. As soon as agreement has been reached the Commissioner will send a notice to the taxpayer saying that he considers his liability now finally determined, and if the taxpayer accepts it, that case then becomes a determined one. If he does not, then he may lodge an appeal and, once that appeal is determined, that case also becomes finally determined.

There are two exceptions, as usual. The first is not so important. It is obvious that power must still be retained to collect money which is properly due but may not have been paid on that date; and secondly—the important one—that if by reason of fraud, default or any evasion, any tax has not been paid, the whole of the provisions of the Ordinance remain in full force. In fact, the evader will never be free of the claws of excess profits tax.

Section 33 (new section 34) is a small one, and provides that the Income Tax Ordinance, 1940, where it is used for excess profits tax, shall be applied as in force at the 31st December, 1944. The necessity for that can be illustrated by the fact that the recent amendments to the Income Tax Ordinance for capital expenditure obviously could not apply for excess profits tax purposes, because they would clash with the very provisions which we are now proposing to enact to meet similar circumstances.

That, broadly, describes the proposals in this Bill which provide, I think hon. members will agree, a wide measure of relief to assist and encourage development and the re-equipment of industry in the hands of private enterprise.

\* One word on the question of the cost of these reliefs. There are, again, no reliable statistics to show what the cost of this relief will be, because of course it depends to a large extent on the expenditure which will be incurred in the course of the next year or two, but I think this is a suitable opportunity for me to give a little up-to-date information regarding the position of the Excess Profits Tax Fund. Up to the end of January, some 1482 assessments had been

raised, and the total cash paid less refunds and transfers to the other East African territories amounted to £3,433,056. Out of that total 21 millions has already been transferred to the Development and Reconstruction Authority. In addition, in the last six months the department has taken steps to bring the liabilities up to date so far as possible by raising estimated assessments in all cases where it is thought that liability may exist, and that has given rise to estimated assessments amounting to £466,384. So that the position at the moment seems to be that, apart from the 21 million pounds transferred to D.A.R.A., there is something in the neighbourhood of another 11 million pounds which will be available to meet the reliefs which are proposed in this Bill and also claims for deficiencies of profits arising in the year 1946. I express the opinion, which I cannot substantiate up to the hilt, that that should be adequate to cover the whole of the reliefs and leave a balance over to be transferred ultimately to D.A.R.A. (Hear, hear.)

It fell to my unhappy lot in 1941 to introduce and inflict this tax on the people of the Colony. I do say sincerely that it gives me great pleasure to deal this tax its death blow!

MR. FOSTER SUTTON seconded.

SIR ALFRED VINCENT: Mr. President, I should like to congratulate the hon. member on a very able and detailed speech (hear, hear), which I am sure was followed with intense interest throughout the whole time he spoke by every member of this Council (laughter)—I did not mention the word "intelligent"!

There is just one point I should like to have made clear—perhaps I did not quite get it when he was speaking—and that is, what is the time limit for the submission of programmes which normally would have had to be completed was the end of December, 1947, as now, very logically, and very fairly, we are going to be allowed to put in a programme within a specified period, and the completion of that programme and the assistance received as a result of it will be at the discretion of the Commissioner. I should like to have that clearly stated!

I beg to support the Bill.

MR. VASEY: Mr. President, in rising to support the Bill I should like to add to those of the hon. Member for Nairobi South my congratulations to the hon. Commissioner for Inland Revenue. The first time I spoke in this Council was in my budget speech of 1945, when I made a plea on behalf of the professional classes in respect of excess profits tax. The hon. Commissioner has now gone a very long way to meet the plea. The professional men are not entirely satisfied; what taxpayer ever is?—but at any rate they would like me on their behalf to express their appreciation of the concession which has been made by the hon. Commissioner on behalf of Government. We would like also to express the appreciation of members of the commercial community in my constituency for the manner in which the hon. Commissioner has handled this question of the excess profits tax amendments right from the very start. He has, if I may say so, not only gone up to the guns of his opponents, but he has removed the ammunition before they could get their rifles to their shoulders. That has been greatly appreciated by the commercial community.

I have only one small note of dissent; and it is something on which the hon. Commissioner and those representatives of the commercial community who met him were unable, I think, to come to any agreement. I ask merely to record that fact. They felt that the hon. Commissioner might have been a little more lenient on the question of minimum standards. Without going through all the arguments which have been discussed between the hon. Commissioner and representatives of the Chamber of Commerce, I would say that it comes down to the following suggestion: that the additional £500 professional allowance which is to be granted under the Bill should be changed into an additional allowance to be granted to every business which has been confined to the minimum standard during the two years 1944 and 1945. Paragraph 16 on pages 43 and 45 of the excellent booklet to which the hon. Commissioner referred, states the case for the professional men, and it is felt in some cases that the arguments advanced there in favour of granting this addition to the professions apply to every business

which has been confined to the minimum standard.

With those few remarks, and with the comment that I expect the answer will be "No," I record my appreciation of the hon. Commissioner of Inland Revenue's attitude towards the commercial community on this Bill.

MR. NICOL: Mr. President, I should like to add my thanks to those of the last speaker, and also to say that I hope the hon. Commissioner will take steps to have his speech printed and sent to all payers of excess profits tax, because I do feel that that will help, together with the excellent booklet which his Department put out, people to understand this very, very complicated measure. We had a brilliant exposition of the Bill from the Commissioner, and I should like to community on this Bill.

MR. MUNDY: Mr. President, once again I must thank hon. members for what they have said. This is my subject and I should be able to do it properly! (Laughter.)

I have just two or three points to deal with. First of all, the schedule of proposed expenditure must be submitted to the Commissioner by the 31st December this year. I think that is an appropriate date because, if anyone has had intended to incur expenditure by the 31st December this year, they must have made their plans well before the 31st December; otherwise they would not have been able to carry them out during the year. The schedule must be submitted to the Commissioner by the 31st December this year, and I think it gives adequate time for everyone to decide exactly what they propose to do.

As regards the question of minimum standards, that question, as the hon. Member for Nairobi North has said, has already been fully examined, and it is possible clearly to distinguish between the case of minimum standards and the case of professional people and, as the case of professional people and, as the case of professional people, I regret I must say rightly anticipated. But I would "No" to him on this. I do recognize that like to add this, that I do recognize that there may be cases of businesses in which there may be no capital is in fact employed; that is to say, they might possibly be compatible with the professional man. There exists provision in the Ordinance

[Mr. Mundy]

—section 17; I think it is—to remit tax on account of hardship, I believe there may be a few cases where this comparison might well be made, and if there are such cases, and I can draw a true comparison, I will promise to look into those cases to see whether some relief might be given from the tax by way of remission.

Finally, I will endeavour to accept the advice of the hon. Member for Mombasa and to obtain some extra copies of my speech and circulate them to the excess profits tax payers.

The question was put and carried.

#### INCOME TAX (AMENDMENT No. 2) BILL

##### SECOND READING

MR. MUNDY: Mr. President, I beg to move: That the Income Tax (Amendment No. 2) Bill be read a second time.

I have, in moving the Excess Profits Tax Bill, already explained exactly the objects of this Bill, and I think I need not say any more.

MR. FOSTER SUTTON seconded.

The question was put and carried.

#### 1947 APPROPRIATION BILL

##### SECOND READING

MR. ANDREWS: Mr. President, I beg to move: That the 1947 Appropriation Bill be read a second time.

I do not think hon. members will not require an explanation of this Bill, which replaces the provisional ordinance passed at the end of last year.

MR. FOSTER SUTTON seconded.

#### BILLS

##### IN COMMITTEE

MR. FOSTER SUTTON moved: That Council do resolve itself into committee of the whole Council to consider clause by clause the following Bills:—The Estate Duty (Consolidation) (Amendment) Bill, the Beer (Amendment No. 2) Bill, the Income Tax (Amendment) Bill, the Personal Tax (Amendment) Bill, the Traders Licensing (Amendment) Bill, the Dangerous Petroleum Tax (Amendment) Bill, the Kenya Defence Force (Temporary Suspension) Bill, the Civil

Procedure (Amendment) Bill, the War Refugees (Control and Expulsion) (Amendment) Bill, the Customs Tariff Bill, the Excise Duties (Amendment) Bill, the Customs Management (Amendment) Bill, the Uplands Bacon Factory (Kenya), Limited (Constitution) (Amendment) Bill, the Coffee (Marketing) (Amendment) Bill, the Excess Profits Tax (Amendment) Bill, the Income Tax (Amendment No. 2) Bill, and the 1947 Appropriation Bill.

MR. STACEY seconded.

The question was put and carried, and Council went into committee.

#### The Estate Duty (Consolidation) (Amendment) Bill

##### Clause 1.

MR. FOSTER SUTTON moved that 1947 be substituted for 1946 on line 2.

The question was put and carried.

The question of the clause as amended was put and carried.

#### The Beer (Amendment No. 2) Bill

##### Clause 1.

MR. FOSTER SUTTON moved that the clause be amended by the deletion of the comma and No. 2 and bracket on line 1, the substitution of 1947 for 1946 on line 2, and the insertion of the words "be deemed to have" between the words "shall" and "come" on line 3.

The question was put and carried.

The question of the clause as amended was put and carried.

#### The Income Tax (Amendment) Bill

##### Clause 7.

MR. FOSTER SUTTON moved that the new section 24 be amended by deleting sub-paragraph (iii) of paragraph (d) of sub-section (1) thereof and substituting therefor the following:—"(iii) where the amount of premiums and contributions otherwise allowable do not exceed two hundred pounds, reduce the amount of tax payable on the individual's income by that amount; where the amount of such premiums and contributions exceeds two hundred pounds, by more than fifty pounds in respect of the first two hundred pounds thereof or by more than twelve and a

[Mr. Foster Sutton]

half per centum of the excess of such premiums and contributions over two hundred pounds in respect of such excess".

The question was put and carried.

The question of the clause as amended was put and carried.

#### Clause 14.

MR. FOSTER SUTTON moved that the Second Schedule be amended (a) by inserting immediately after sub-paragraph (4) of paragraph 4 the following sub-paragraph:—"(5) Where an industrial building or structure, in the case of which any one of the events mentioned in sub-paragraph (1) of this paragraph has occurred, is replaced by the owner thereof and a balancing charge falls to be made on him by reason of that event, or, but for the provisions of this sub-paragraph, would have fallen to be made on him by reason thereof, then, if by notice in writing to the Commissioner he so acts, the following provisions shall have effect, that is to say—(a) if the amount on which the charge would have been made is greater than the capital expenditure on the construction of the industrial building or structure—(i) the charge shall be made only on an amount equal to the difference; and (ii) no initial allowance or annual allowance shall be made or allowed in respect of the expenditure on the new industrial building or structure; and (iii) in considering whether any, and, if so, what, balancing charge falls to be made in respect of the expenditure on the new industrial building or structure, there shall be deemed to have been made in respect of that expenditure an initial allowance equal to the full amount of that expenditure; (b) if the capital expenditure on the construction of the new industrial building or structure is equal to or greater than the amount on which the charge would have been made:—(i) the charge shall not be made; and (ii) the amount of any initial allowance or annual allowance in respect of the said expenditure shall be calculated as if the expenditure had been reduced by the amount on which the charge would have been made; and (iii) in considering whether any, and, if so, what, balancing allowance or balancing charge falls to be made in respect of the new industrial building or structure, the

initial allowance granted in respect thereof shall be deemed to have been increased by an amount equal to the amount on which the charge would have been made". (b) By re-numbering sub-paragraph (5) of paragraph (4) as sub-paragraph (6); (c) by deleting paragraph (6) of the proviso to sub-paragraph (3) of paragraph (7) and substituting therefor the following new sub-paragraph:—"(6) This sub-paragraph shall not apply to, or to part of, a building or structure which was constructed for the occupation by, or for the welfare of, persons employed in a trade specified in sub-paragraph (1) of this paragraph if the building or structure is likely to have little or no value to the person carrying on the trade when the trade is no longer carried on, or will cease to belong to such person on the coming to an end of a concession under which the trade is carried on".

The question was put and carried.

The question of the clause as amended was put and carried.

#### The Customs Tariff Bill

##### Clause 1.

MR. FOSTER SUTTON moved that 1947 be substituted for 1946 on line 2.

The question was put and carried.

The question of the clause as amended was put and carried.

#### The Excise Duties (Amendment No. 2) Bill

##### Clause 1.

MR. FOSTER SUTTON moved that the clause be amended by the deletion of the comma and No. 2 and bracket on line 2, and the substitution of 1947 for 1946 on line 2.

The question was put and carried.

The question of the clause as amended was put and carried.

#### The Coffee (Marketing) (Amendment) Bill

##### Clause 2.

MR. FOSTER SUTTON moved that clause 2 be amended by deleting the word "otherwise" on line 6.

The question was put and carried.

The question of the clause as amended was put and carried.

**The Excess Profits Tax (Amendment) Bill****Clause 6.**

Mr. FOSTER SUTTON moved that the clause be amended (a) by deleting the word "and" in the second line and substituting therefor a comma; (b) by deleting the comma in the second line immediately after the figure "33", and substituting therefor the word, figure and comma "and 34"; (c) by re-numbering the new section 33 as section 34 and by inserting immediately after the new section 32 the following section:—"33. Any person liable to pay excess profits tax in respect of the profits of a business, who proves to the satisfaction of the Commissioner, that by reason of conditions prevailing as a consequence of the war—(a) he was compelled to defer expenditure or expenditure upon an asset until after the thirty-first day of December, 1947, which he had intended to incur before that date; or (b) any asset upon which he has incurred expenditure on or before the thirty-first day of December, 1947, could not be fully employed in the business before the thirty-first day of December, 1947, and if the expenditure had been incurred or the asset had been fully employed in the business on or before that date, the expenditure, or the expenditure on the asset, would have been taken into account in computing the amount of the profits of the business for any chargeable accounting period, he may, at any time before the first day of January, 1948, deliver to the Commissioner a statement in writing containing particulars of the expenditure so deferred and of the assets concerned and if any such expenditure is incurred or any such asset is fully employed in the business within such period as to the Commissioner may seem reasonable having regard to such conditions, that expenditure shall be deemed to have been incurred or the asset to have been fully employed in the business on the thirty-first day of December, 1947."

The question was put and carried.

The question of the clause as amended was put and carried.

Mr. FOSTER SUTTON moved: That the following Bills be reported to Council with amendment:—The Estate Duty (Consolidation) (Amendment) Bill, the Beer (Amendment) Bill, the Income Tax

(Amendment) Bill, the Excise Duties (Amendment) Bill, the Coffee (Marketing) (Amendment) Bill, and the Excess Profits Tax (Amendment) Bill, and the remainder without amendment.

Mr. STACEY seconded.

The question was put and carried.

Council resumed, and the President reported accordingly.

**THIRD READINGS**

Mr. FOSTER SUTTON moved that each of the 17 Bills be read the third time and passed.

Mr. STACEY seconded.

The question was put and carried, and the Bills read accordingly.

**ADJOURNMENT**

Council adjourned *sine die*.

**WRITTEN ANSWERS TO QUESTIONS****NO. 97—GRANTS-IN-AID**

ARCHDEACON BEECHER:

(a) Is Government aware of the fact that, owing to the delay in settling the inter-relationships of Government and the L.N.C. finance, the year 1946 closed without certain district education boards or, in the absence of such a board, the local native council concerned, paying promised grants-in-aid to educational services?

(b) Have all such grants now been paid?

(c) If not, will Government please undertake to secure the immediate payments?

(d) Will all reasonable steps be taken to secure that the hardships thus placed on teachers (who could not be paid) and on school managers (who had to secure loans to meet their commitments) are not repeated in future?

**Reply:**

I will answer parts (a) and (b) of the question together. The Government is not aware of the details of any promise which may have been made by District Education Boards regarding grants-in-aid to educational services. The Government has, however, been informed that in several cases grants-in-aid which were

stated to have been due to be paid by Local Native Councils in respect of 1946 were not in fact paid by the date in question, though the Government understands that payment has subsequently been made in all cases but one.

(c) The Government will take the matter up with the Local Native Council concerned. So far as the Government is aware, the Local Native Council is in a position to meet its obligation.

(d) If it is decided that grants-in-aid shall be a responsibility of the central Government, I can give the undertaking sought by the hon. and ven. member. If, however, it is decided that the payment of grants-in-aid should be a responsibility of Local Native Councils, steps will be taken to bring the point before the Presidents of such Councils.

**NO. 98—PRISONERS ON PUBLIC WORKS**

MAJOR KEYSER:

(a) Is it the policy of Government to make use of prisoners on public works?

(b) If the answer to (a) is in the affirmative, is it correct to say that a shortage of wards prevents the carrying out of this policy? (c) How do the terms of service of prison warders compare with those of the Police Force?

**Reply:**

(a) It is the policy of the Government to make use of prisoners on public works whenever possible. The use of such labour must, however, be determined by the locality of the work and the suitability of the various types of prisoners for it.

(b) Shortage of warden staff does not prevent the carrying out of this policy provided the work is readily accessible to the nearest prison and a special camp is not necessary. Trained staff is not, however, available to establish any special camps in addition to the six already in existence.

(c) With the exception of a few of the senior ranks, the terms of service for prison warders are very similar to those of the Police Force, though they differ slightly in detail.

**NO. 100—PAYMENTS TO NATIVE RESERVES**

SIR A. VINCENT:

What amount has been paid to the various native reserves (showing each Reserve separately) since the outbreak of war until, say, the 30th September, 1946, in respect of (a) family allowances, gratuities and war bonuses to troops; (b) the amount paid for maize purchased from the natives; (c) the amount which has been paid for the purchase of cattle; and (d) what amount has been paid in respect of other products?

**Reply:**

(a) It is not possible to give the information in the form asked for by the hon. member as family allotments, special remittances and terminal emoluments are all charged through the same account. The following figures are available, however.

From the 3rd September, 1939, until the 30th September, 1946, the sum of £3,058,319 was paid in respect of family allotments by troops, special remittances, leave pay and terminal emoluments. The latter cover war gratuities prior to the inauguration of the Post Office Savings Bank Accounts in 1945, which began with the introduction of the "A" Release Scheme. These payments amounted to some £40,000.

In addition to the sum of £3,058,319 mentioned above, from the beginning of the "A" Release Scheme in 1945 up to the end of January, 1946, the sum of £635,718 has been paid in respect of War Gratuities and Clothing Grants.

(b) From July, 1942, to September, 1946, the sum of £1,098,868 was paid to Africans by the Maize Control. It has not been possible to give detailed amount in respect of specific areas. No records of the sums paid before the inception of Control in 1942 are available.

(c) A list showing the amounts paid in respect of cattle purchases in the various reserves is attached as Appendix A.

(d) With regard to this part of the question a list is attached as Appendix B giving, by Provinces, the amounts paid by the Produce Control for various commodities. It is appreciated that the list is not exhaustive, but it has not been possible to give figures in respect of other items, e.g., firewood, timber, etc.

## Appendix A

Amounts paid out by livestock control in native areas in Kenya from 1st July, 1940, to September, 1946:—

	Cattle.
Masai .....	£254,974
Wakamba .....	88,559
Mukogodo .....	821
Kikuyu .....	3,124
Meru .....	2,186
Embu .....	849
Nandi .....	138,644
Kamasia .....	8,723
Turkana .....	2,585
Elgeyo .....	9,869
Samburu .....	12,074
Tinet .....	1,331
Rift Valley .....	1,209
Nyanza (Kavirondo) .....	271,559
Lumbwa .....	15,741
Isiolo .....	84,433
Garissa .....	11,383
Taha .....	24,651
Coast .....	9,622
	£942,337

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Purchases from 1st July, 1942, to 31st December, 1946.

Commodity	Central Province		Coast Province		Nyanza Province		Rift Valley Province		Total
	SA.	cts.	SA.	cts.	SA.	cts.	SA.	cts.	
Maize .....	2,230,049	00	—	—	—	—	—	—	2,230,049 00
Millet .....	475,102	67	—	—	—	—	—	—	475,102 67
Ghew .....	107,490	30	67,462	00	4,050,388	40	2,203,350	70	2,806,325 99
Wheat .....	—	—	—	—	1,033,403	51	—	—	1,033,403 51
Canava .....	—	—	—	—	1,014,919	17	—	—	1,014,919 17
Groundnuts .....	—	—	—	—	217,035	24	—	—	217,035 24
Nhamsi .....	—	—	65,401	63	264,404	34	—	—	329,809 29
Eggs .....	—	—	—	—	1,441,450	98	—	—	1,441,450 98
Lice .....	—	—	—	—	1,254,844	80	—	—	1,254,844 80
Potatoes .....	2,582,869	00	—	—	629,862	00	7,091,728	00	10,204,177 00
Vegetables, 1940-46 .....	10,000,000	00 (Approx)	—	—	—	—	—	—	10,000,000 00
	10,485,530	97	122,956	95	10,167,844	43	7,091,728	00	37,868,058 35

Ray £1,894,163

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SECOND SERIES

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