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to

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G. O.  
L. 120CL  
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Ans L 13899

15 October 1917

Sir,

11 Oct (48044)  
Mr Ballouley, 11.10.17

With ref to memo  
the 26<sup>th</sup> Sept has been  
have the honour to  
for your observation  
copy of ~~copy~~ with  
which of the  
Committee at Nairobi

To Messrs L 201 (48044)

To (aft omitted)

2 drafts  
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G. O.  
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Lamberts

1917

15 October

Last previous Paper.

307  
49993

PRIORITY CERTIFICATES

Forwards copy of report of Special sub-Committee  
of Nairobi Chamber of Commerce.

sent first 15/10

Drafts herewith.

Ans B

17.10.17

at once

Ans. 19 Oct 17

520

STAMPADE LONDON  
LONDON  
LONDON

October 15th, 1917

# LAMBERTS LTD.

(NAIROBI),

55, SOUTHWARK STREET, LONDON, S.E.

C/O  
50928  
Rec:  
Ref: 16 OCT 17

The Colonial Secretary,

Whitehall. S. W.

Dear Sir,

We beg to forward herewith a copy of the report of the Special Sub Committee of the Nairobi Chamber of Commerce, appointed to enquire into the matter of Priority Applications.

Yours faithfully,

FOR AND ON BEHALF OF

LAMBERTS LTD.

*W. J. ...*  
Secretary.

REPORT OF THE SPECIAL SUB-COMMITTEE OF THE NAIROBI CHAMBER OF  
COMMERCE

Appointed to enquire into the matter of PRIORITY APPLICATIONS.

327

As the undersigned members of the Special Committee of the Nairobi Chamber of Commerce, appointed by minute No.9 of the adjourned General Meeting of the Chamber held on Thursday the 26th. July, 1917, having met on 4 occasions between the dates of 27th. July and the 1st. August, both inclusive, beg to report as follows:-

1. By the courtesy of the Chairman of the East African Priority Committee we have met the members of that Committee at the office of the Hon. The Chairman on Saturday 28th. July 1917. Certain private and confidential circulars and instructions were read and we are unanimously of the opinion that the Local Priority Committee has acted honestly, conscientiously but mistakenly upon a very strict and literal interpretation of the very stringent and far reaching recommendations contained therein, but we are as unanimously and emphatically of the opinion that it was never the intention of the framers of these instructions, to prohibit the Local Priority Committee, from making recommendations to the Ministry of Munitions for special consideration, where it was satisfied that special circumstances justified such an action.

We are confirmed in this latter opinion, by indisputable evidence produced before us, which shows that certain of the items which the Priority Committee have (in our opinion) wrongly decided that they are prohibited from recommending, have already actually been allowed out of Great Britain, into this Protectorate, on cause having been shown as to their necessity. We believe that the circulars above referred to were in all probability distributed and made applicable to every British Colony and that what might be a hardship to old established Colonies such as Australia, and South Africa, if applied in the same strict and literal interpretation, to a young and unestablished Protectorate such as this would absolutely ruin the Protectorate and its colonists.

We feel therefore that it is only necessary to briefly summarise a few facts specially applicable to this Protectorate to ensure special consideration being given to the applications for Priority emanating herefrom.

2. Special conditions existing in East Africa.

We desire to set out in the briefest possible form, certain special disabilities in East Africa calling for exceptionally sympathetic treatment as follows:

- (a) This is the youngest British Colony, organised white settlement having commenced only 13 years ago in 1904.
- (b) There is an absolute lack of internal resources.
- (c) Facilities for engineering works are almost non-existent.
- (d) There are no reserves of stocks.
- (e) Practically all local stocks have been utterly exhausted by the demands of the ~~Government~~ which have been altogether out of proportion to the stocks held before the War.
- (f) Costly developments, extending over many years, were just beginning to bear fruit when War intervened.
- (g) Some of the principal exports of this Colony require years of growth before the time arrives when machinery is required to treat the crop (we deal with this special point in the next paragraph.)

3. Machinery for Special Crops.

We gather from the "form of application for Priority assistance" supplied to applicants, that special consideration is given to application for supplies of materials for maintenance" but we also gather from the Local Priority Committee that it considers itself prohibited from recommending any machinery for new machinery.

In this suggestion we venture to call attention to specific industries and to certain factors relative to development which, in our opinion, warrant new machinery included under the head of bona fide maintenance.

(a) Flax.

The greater portion of the machinery is being manufactured in the Protectorate. A few lengths of shafting and adjuncts are imports required. Flax is also urgently required in England at present time. We are of the opinion that it is also vitally important to encourage the manufacture of machinery in this country by the importation of such material.

(b) Coffee.

Takes four years to produce a crop. Until the 4th year the virgin crop can be treated by a small hand machine, without which the crop is absolutely wasted. 200 acres under coffee cost ten thousand pounds to reach producing stage irrespective of the machinery required in the 4th year, the estimated cost of which is...

(c) Sisal.

Takes 3 1/2 years to produce a crop. No machinery is required until the end of the 3rd. year. Without machinery to deal with the fibre not only is the crop for one year wasted, but the sisal ginning (runs to seed) and the whole of the 3 1/2 years work is...

Machinery is required for the bona fide maintenance of estates and without it, the capital spent in development from a period before the commencement of the war will, and be non-productive and in many cases, absolutely lost.

The amount of machinery required is infinitesimal in the value of the industries it is required to support.

Arising out of this, we would call attention to an almost universal phase of East African development.

Owing to the fact that the principal products grow for several years before they realize a return, practically every producer has to raise money from the bank or by mortgage until the dividend earning stage is arrived at. It therefore becomes increasingly important that the producer should not be neglecting his obligations by being prohibited from maintaining his estate."

4. Functions of the Local Priority Committee.

We trust from the foregoing paragraphs that we have established a case for special treatment in regard to East Africa, and we submit therefore with the utmost deference that the function of the East Africa Local Priority Committee, should be to consider each application with special regard to the foregoing conditions applying to this Protectorate and that where machinery (even though it is new machinery) is required, for the bona fide maintenance of an estate, it should forward the application to the Ministry of Munitions for favourable consideration, leaving it to that Officer to decide whether or no it is against the interests of the Empire to allow the machinery applied for, to be manufactured.

MEMORANDUM FOR THE SPECIAL SUB COMMITTEE OF THE NAUIGAL CHAMBER OF

COMMERCE

appointed to enquire into the matter of PRIORITY APPLICATIONS.

307  
To the undersigned members of the Special Committee of the  
Nauigal Chamber of Commerce, appointed by minute No. 9 of the Adjourned  
General Meeting of the Chamber held on Thursday the 26th. July,  
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for special consideration, where it was satisfied that special  
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We are confirmed in this latter opinion, by indisputable  
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to a young and unestablished Protectorate such as this would  
absolutely ruin the Protectorate and its colonists.

We feel therefore that it is only necessary to briefly  
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2. Special conditions existing in East Africa.

We desire to set out in the briefest possible form,  
certain special disabilities in East Africa calling for exceptionally  
sympathetic treatment as follows:-

- (a) This is the youngest British Colony, organized white settlement  
having commenced only 13 years ago in 1904.
- (b) There is an absolute lack of internal resources.
- (c) Facilities for engineering works are almost non-existent.
- (d) There are no reserves of stocks.
- (e) Practically all local stocks have been utterly exhausted by  
the demands of the War, which have been altogether out of  
proportion to the stocks held before the War.

(f) The population, extending over many years, has not  
increased in any proportion.

3. Machinery for Special Crops.

We gather from the "form of application for Priority assistance" supplied to applicants, that special consideration is given to application for supplies of materials for "bona fide maintenance" but we also gather from the Local Priority Committee that it considers itself prohibited from recommending any applications for new machinery.

In this connection we venture to call attention to certain specific industries and to certain factors relative to their development which, in our opinion, warrant new machinery being included under the heads of bona fide maintenance.

(a) Flax.

355

The greater portion of the machinery is being manufactured in the Protectorate. A few lengths of shafting and adjuncts are the only imports required. Flax is also urgently required in England at the present time. We are of the opinion that it is also vitally important to encourage the manufacture of machinery in this country by allowing the importation of such material.

(b) Coffee.

Takes four years to produce a crop. Until the 4th. year the virgin crop can be treated by a small hand machine, without machinery the crop is absolutely wasted. 200 acres under coffee cost several thousand pounds to reach producing stage irrespective of the machinery required in the 4th year, the estimated cost of which is roughly £2000.

(c) Sisal.

Takes 3 1/2 years to produce a crop. No machinery is required until the end of the 3rd. year. Without machines to deal with the fibre not only is the crop for one year wasted, but the sisal starts piling (rums to seed) and the whole of the 3 1/2 years work is wasted.

Machinery is required for the bona fide maintenance of such estates and without it, the capital spent in development, starting from a period before the commencement of the War will, at the best, be non-productive and in some cases, absolutely lost.

The amount of Machinery required is infinitesimal compared to the value of the industries it is required to support.

Arising out of this, we would call attention to another and almost universal phase of East African development.

Owing to the fact that the principal products grown for export take several years before they realize a return, practically every producer has to raise money from the bank or by mortgage before the dividend earning stage is arrived at. It therefore becomes increasingly important that the producer should not be debarred from meeting his obligations by being prohibited from maintaining his estate.

4. Functions of the Local Priority Committee.

We trust from the foregoing paragraphs that we have established a case for special treatment in regard to East Africa, and we submit therefore with the utmost deference that the function of the East Africa Local Priority Committee, should be to consider each application with special regard to the foregoing conditions applying to this Protectorate and that where machinery (even though it is new machinery) is required, for the bona fide maintenance of an estate, it should forward the application to the Ministry of Conditions for favourable consideration, leaving it to that office to decide whether or no it is against the interests of the Empire to allow the machinery applied for, to be manufactured.

It is suggested from an Imperial standpoint, that applications, hitherto refused, might be investigated, and if the Priority Committee is satisfied on public grounds as to the urgency of the need, that such application should be recommended.

By this method, it is possible, where manufacture could not be sanctioned by the Ministry of Munitions, that permission could be granted to satisfy local requirements from stock already existent and on hand in Great Britain.

5. Retail Trade.

320

It may perhaps be necessary to classify applications under two heads viz:-

- (a) Applications for machinery etc. required for special estates or persons and
- (b) Applications for small spare tools and accessories required by estates and the population generally for ordinary maintenance and development, and purchased in small quantities as required from the local retailers.

We have dealt with the classification (a) under paragraph 4 supra, but classification (b) is no less important.

Only to quote one example.

Machinery and tools require housing, and although the great proportion of building requirements such as stone and timber are obtained locally such things as screws, nails, roofing, hinges, locks, etc. etc. not only for new buildings but repairs are purchased from the retailer.

It is therefore very necessary that the retailer should be allowed to replenish his stocks, especially having regard to the abnormal depletion caused by the Military requirements and we therefore submit that this local Priority Committee should recommend for urgent favourable consideration any application for goods coming under this category where they are satisfied that the application is not unduly in excess of pre war requirements.

6. Additions to Local Priority Committee.

We are unanimously of the opinion that the present local Priority Committee should be strengthened by the inclusion amongst its number of two further members, to be elected by the Chamber of Commerce, one of whom shall be thoroughly acquainted with the needs of the Trade and the other representative of and thoroughly acquainted with the needs of the Producing Colonists.

Summary and Procedure.

Briefly to summarize the foregoing, we recommend:-

- (a) That the local Priority Committee should be requested to read into the words "bona fide maintenance" the wider interpretation we have outlined above.
- (b) That applications, once their bona fides are determined, should be forwarded to the Ministry of Munitions for FAVOURABLE CONSIDERATION, and not summarily dismissed in this Protectorate.
- (c) That the Priority Committee shall be strengthened by the addition of TWO MEMBERS as outlined in para. 6 supra.

(d) In reference to the past practice of the local Priority Committee, we are advised that, in a very large number of applications, the Committee has refrained from making any comment at all in the space reserved for "Recommendations", and has contented itself with merely drawing a line through the space and signing the same. The Hon. The Chairman of the Local Priority Committee has stated that this procedure was adopted because the Committee was in sympathy with the application but, in view of its intentions, could not make a definite recommendation in favour, and therefore refrained from a definite refusal, in the hope that the Ministry of Munitions would sympathetically consider the application.

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In view, however, of the very definite instructions printed on the first page of the Application form which reads as follows:-

"In the absence of a definite recommendation from the Local Priority Committee, the Ministry of Munitions will not consider applications for the grant of priority Certificates."

We are of opinion there exists very little hope that applications so treated will receive any consideration at all, and we recommend that His Excellency The Acting Governor be requested to ask the Local Priority Committee to communicate with the Ministry of Munitions setting forth to that Authority what exactly they intend to convey by the dash and signature.

Finally, we have not overlooked that fact that it is all important that as little material as possible should leave England at the present time but finance is a prominent feature in the prosecution of the war. Is it not therefore a shortsighted policy to cripple a young country just arriving at the point of production for the sake of a small amount of machinery which will enable it to complete its development and become a real asset and source of revenue to the Empire?

AND WE DIRECT that this report shall be forwarded by the Secretary of the Chamber of His Excellency the Acting Governor for transmission to the Ministry of Munitions and that copies shall be furnished to:-

- (a) The Local Priority Committee.
- (b) The War Council.
- (c) The Nairobi Chamber of Commerce.

AND we have hereunto subscribed our hands this first day of August 1917.

(Signed) T.A. Wood. Chairman.  
 Wreak. Tate HON. TREASURER.  
 L.J. Parison.  
 A. Vincent.  
 A.C. Tanshill.



RECEIVED  
R. 1907

Downing Street,

19 October, 1937

*Sc*

**DRAFT.**

MESSRS. LAMBERTS LIMITED.

Gentlemen,

I am directed by Mr. Secretary

Long to acknowledge the receipt of your

letter of the 15th of October, and to

thank you for sending a copy of the

Report of the ~~special~~ Sub-Committee of the

Nairobi Chamber of Commerce on Priority

Applications.

2. A copy of the Report has already

been received from the Officer Administer-

ing the Government of the Protectorate,

and will be referred to the Ministry of

Munitions for their consideration.

I am, etc.,

(3)

**MINUTE.**

- Mr.
- Mr. Butler
- Mr.
- Mr. Grindle.
- Mr. Lambert.
- Mr. Reed.
- Mr. G. Fiddes.
- Mr. A. Steel-Maitland
- Mr. Long.