

1932.

Kenya.

No. 18057.

SUBJECT

C0533/420

Financial and Economic Position.

Investigation by Special Commissioner

Lord Moyne.

Previous

17174/B/31

Subsequent

- Subfile & Report*
- " " 2. Circulating publication of report*
- See 3102/33 circulating demand*
- " 1821/32 circulating demand*
- " 2700/32 circulating demand*

13th February, 1932

Trs. copy tel. from Govt of India, and ask if information can be supplied, for communication to the Govt of India by telegram, as to the personnel, terms of reference and date of arrival in E. Africa of the Commission appointed under para 105 of the Report of the Select Committee on Closer Union.

Mr Silver warned me of the coming letter in the s/o attached. I explained to him that all the info required by the Govt of India had already been published in the press. (For this reason & also as the Enquiry is fundamentally a "national" Enquiry, no official notification has been made to him etc.)

Draft herewith. Copy comes to Ga Ld & air mail 16 Feb.
 W. Allen
 15/2/32
 advance

2 To J.O. - 1 ansd - 16 FEB 1932

By Air Mail
 B 16/2/32

3 To Gov (37) (d/c 1+2) A/1 16 FEB 1932

To Mr W. G. Campbell — 17/2/32
(Retired Hon. Commr. Kenya)

DESTROYED UNDER STATUTE

Two copies of copies, which he feels, will enable Lord Moyne to understand the state of affairs as it existed in the Ukamba Province during 1925-26. Would like copies returned in due course

Tell him that this

copies was brought to the notice of Lord Moyne's secretary & return it, D.H.

W. Allen
23/2
at once

To Mr Campbell — 25/2/32
(49 orig copies)

DESTROYED UNDER STATUTE

6. Joint East African Board — 29/2/32

The Board are very anxious that Lord Moyne's Enquiry should not overlap or conflict with the Economic Enquiry under Clause 46 of the Joint Select Committee's Report.

? Ack receipt; send them a copy of

the Q. & A. in 27044, from wh. it will be observed that arrangements are in contemplation for the investigation into East African railway question which was suggested by the Joint C. in para 46 of their Report.

Enclose also a copy of Lord Moyne's terms of reference, which show that his enquiry is not strictly limited to the points specified in para 105(b) of the Report.

No. 1 in P. 9 file

40 - 1
7746

W.S.
4/13/32 at me

W. Allen
4/3

To Joint EA Board - 6 answeed w/c in 27044/32
(P. 9 file) + 40 in 17/74/B/31
Para 1-3 - 8 MAR 1932

7A Minutes regarding an offer by Capt. F. Forest to assist Lord Moyne

P. India Office — 2/3/32

Ask if any objection to Mr G. S. Boyman, who is en route to take up post of Secy to the Agent of the Govt of India in the Union of SA, assisting the Indian Community in Kenya in preparing their case for Lord Moyne's enquiry. Mr Boyman is due to arrive at Nairobi on 10/3/32 - immediate reply asked for

In the case of the Hilton-Young Commission to Government of India represented that one official and one non-official should be sent from India to help the Indians in preparing and presenting their case to the Commission. Before this was agreed to all the Governors were consulted. But as the Government of India wished to communicate with Mr. Bozman by wireless before the 13th of March there is little time for consultation with the Government of Kenya, and having regard to the precedent of the Hilton-Young Commission perhaps this agreement might be assumed.

See telegram - No. 36 on 17007/27/Sub-file B.

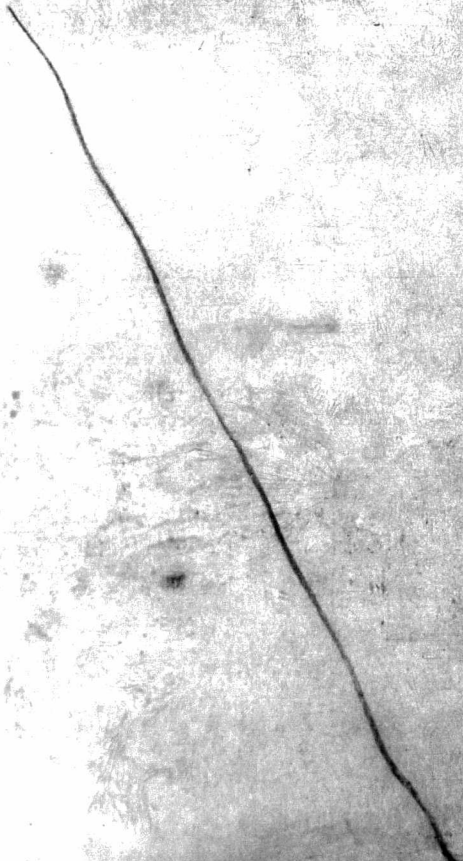
I think it would be better if there is no change and no answer, or rather not to send the Govt. having the view of...
at once

W.S.
12.3.32

9 To Ld. (Fand) — 12 MAR 1932

10 ✓ See to Geo Kemp (N. Su Conf) - 12 March 32

NW



11 Sir E. Grieg — He
Sri Swinson
Sir Chottanley
18/3/32
Suggestion that Lord Moyne, after dealing with taxation, should conduct an investigation into the economic & financial structure of the Colony.

12 I attach a note. In a recent letter to the Secretary of State Lord Moyne said "They are all very helpful and friendly here about my enquiry, but are far more concerned with their general financial position and especially in the great drop in the customs revenue than with the question of inter-community incidence which seemed of importance to the Joint Select Committee."

Sir Edward Grieg assumes that Lord Moyne could not be persuaded to stay ^{much beyond} longer than his present expectation, and certainly my impression was that he was anxious that his enquiry should not be extended to the general finances of the Colony (except in so far as the financial position affected his particular investigation) and that he was equally anxious not to extend his stay in East Africa beyond what was absolutely necessary. For instance in his letter to the Secretary of State dated the 28th January he said "I do not propose to remain out there any longer than is necessary for collecting views and information and will write my report as soon as I get back." I gathered that Lord Moyne was working on the basis of an absence of not more than ten weeks including the journeys."

17/3/32
Grieg

To sum up :-

- (1) Any report made, except after exhaustive enquiry, would be of doubtful utility.
- (2) It would not be reasonable to ask Lord Moyne to prolong his stay to make such an enquiry.
- (3) Lord Moyne would possibly be unwilling

to

to undertake to make any report unless he had an opportunity of full enquiry.

(4) Whether a general report from Lord Moyne merely subsidiary to his main report and based on such enquiries as he had been able to make, would be useful, is a matter on which it would be necessary to ascertain the views of the Governor in consultation with Lord Moyne.

(5) If such a suggestion is to be pursued with the Governor and Lord Moyne it should be put in a very tentative way - perhaps on the lines of the draft which I have put up.

J.M. Allen
1/13/32

The function of the Moyne Committee is far more of a hand-to-mouth affair than I thought when Mr Allen advised this with me, & I agree that the title which he proposes cannot be regarded as reflecting the arrangements which the Govt has made.

Wed. 17.3.32

13 Gov. Kenya - Tel. Prop. - 17/3/32

Gov. Kenya - Tel. Prop. - 2/3/32
"When I return to Nairobi 27 March I shall consult Lord Moyne who is also on tour until then. Please see my personal letter by last air mail."

DESTROYED UNDER STATUTE

Wait a week

But the Govt may wish to take it case by case and not later than this week.
J.M. Allen
27/3/32
atua

See

Mr Cliffe
27.3.32

Wait
M

15- Sir J. Byrne - Personal & Confidential - 14/3/32

As to the expenses of Lord Moyne's enquiry being charged to the Govt. of Kenya. I attach a note No 17 to this effect.
J.M. Allen 30/3/32

16 Gov. Kenya - Tel. Prop. - 28/3/32
"I handed a copy of your private & personal telegram of 17 March to Lord Moyne yesterday. He proposes to reply to you personally."

DESTROYED UNDER STATUTE

18 Lord Moyne - Tel. Private & Personal - 29/3/32
As to the indefinite delay which cannot be checked if an additional enquiry on the Moyne's position were demanded.

C.P.B. to Govt's minute in the original (the copy has been substituted (having attached))

19 Gov. - Pel - 3/12/32
Explains that No 18 was from Lord Moyne

20 Lord Moyne - Pel - 3/12/32
In sending Air letter explaining telegram

21 Gov. - tel Mr Personal - 31/3/32

Successes Carson & various points arising out of Lord Moyne's telegram

22 Gov. to Sir S. Wilson 13 March 32
Re financial position

23 Lord to Sir S. Wilson 30 March '32

24 Lord Moyne to Sir S. Wilson 17 March '32
Requests info as to native taxation in Nigeria

25 Substantively to Mr Chas Alexander 31 March '32
(44 Gov. to P. Morrison)
(looking for info re No 24)

26 P. Gov. - Pel. pts personal - 4/4/32
(A. to extension of limits of reference) Comm. for Lord Moyne

Minute by the Secretary of State regarding No 21. (Manuscript on copy of No 21)

"See my note of yesterday (No 23)

1. General economic position of the Union. We should say best dealt with by the mixed committee, which he has just set up.

2. Monetary position of the Union. He appears to have won general confidence, and

... the value of the pound... international operations... question of what... the... the... and work... throw this...

Have discussed with Mr. Ballouley

9. In free state

We are agreed that the economic position can best be dealt with by the mixed committee which on the official side strongly represented on it.

We think that Mr. S. Committee should however have to finish his task in Tanganyika and that Lord Moyne might address an

The Budgetary position without
Sir G. Armitage Smith's assistance.
The latter's knowledge of Colonial
administration is limited to a
short visit to the Leeward Is.

S.H.L.

4.2.32

27 Gov. Kenya — Tel. Dep. — 9/4/32
(In reply to No 26)

Sir Philipson

The S.O.P. has been written
the suggestion appears all
right (assuming ~~all~~ the original
instructions don't already cover the point)
If you & Sir C. Bottemley
agree, would you please
have a draft Question &
Answer prepared & arrangements
will be made for the
Question to be put. This
should be available to-day
in order that the Ques.
may be put for Thursday.

CAZ Cliff

5.10.32.

Mr. Secretary
Sir C. Bottemley

This is what you are wanting for
be can now telegraph to the Governor

about Sir S. Amey Smith &
would you also submit suggested
Questions & Answers.

J.H.
5.4.32

See P.O. File

(No. 40 on
17174 B.)

(No. 1 on
27044)

Sir S. Wilson.

I submit:-

- (a) Draft Parliamentary Question and Answer.

The original terms of reference for Lord Moyné's enquiry have never ~~officially~~ been quoted in the House; they were published in the press on the 29th January, and were referred to in the House on the 2nd March.

- (b) Draft telegram to Governor in reply to No. 27.

- (c) Separate draft telegram conveying the Secretary of State's views in accordance with the foregoing minutes.

(Sir C. Bottomley who is on the Currency Board Meeting all the afternoon has not seen the drafts; but I discussed them with him before he left the Office.)

A. Denton
5/4

Sec of State

Issue with prepared
telegrams and Questions &
Answers.

J.H.

5.4.32

Arrangements have been made for
the Question to be asked on Thursday
as proposed.

C.R. Cliffe
5-iv-32

- 28 20 hrs Kenya tel Printed Passand (1)
 (Answers 21 & 22)
 29 — " — (2) 5 April 1932
 30 — " — (3)
 (For Lord Moyne)

By Air Mail

31. To Lord Moyne (43 hours on Nigerian taxation in Nigeria) 5/4/32

Notes for Comen
 to Comen with
 Lord Moyne's report
 21/5/32 Uganda
 + Comen's book
 1/4/32
 1/4/32
 1/4/32

Lord Moyne — 15/4/32
 Expenses thanks for No. 31. Report
 progress & hopes to get through with the
 enquiry by 30 May and to have his
 report ready by the 20th May.

Mr. Allen
 Sir C. Bottomley

To see No 32. I don't
 think it needs a reply.

B.H.B.
 27.4.32
 Sir C. Bottomley
 28.4.32
 at home

33 Crown Agents — 13/5/32 9

Ask if they should continue to pay
 allowance of £50 per mensem to Major
 Forbroke-Holles bankers. (last payment
 due 31/5/32)

Major Forbroke-Holles is sure to call
 this week; the date of termination of his
 remuneration from Kenya can then be
 settled.

Let me have pp. on Friday 20th May,
 if not previously called for.

B. H. B.
 16/5/32

Mr. Brewster

pp. re-issued.
 2/5/32

Mr. Allen

? Mr. Allen should be asked to make the
 usual payment on 31st May. Re-issued
 on June 7th by when the closing date
 of Major F. Holles' services may have been
 settled.

B. H. B.
 20/5/32

Major Forbroke-Holles' work will
 cease with the completion of the
 report of the troops which will
 probably be about the 31st May. And
 he has asked whether he could be
 allowed a short period of leave
 before returning to the Conservative

Research Dept. I believe that Mr
Mulle Chamberlain has expressed a
hope that the Co. will be able to
agree to this. Major Hobbs' letter
has had a very strong time with us
relative to traveling & he has
included this that which a message
would have given. I think it
would be reasonable to give this
fortnight. Do you agree?

W. Allen

20/5/31

Yes. The work has been extraordinarily
quickly done, & that R. A. showed
a need in informing the Gen.
of what has been authorized.

W. Allen 20.5.31 and

34 To CA - 33 and - 24 May 1931

Mr. Allen agrees that we cannot usefully
write to you till we have settled the date
as from which Maj. F. Hobbs' leave is to
begin.

By: J. H. [Signature]

J. H. [Signature]

W. Allen

Mr. Freeman

By: brought forward

20/5/31

Wait another week.

J. H. [Signature]
C. B. [Signature]

35- Major Frederick Hobbs 1/6/32
As to payment of the balance of salary
& allowances & additional premium on
his accident policy.

I have explained to Major F.H.

that the payment for leave has better
be made than the rate
accept this.

now draft letter & then
say that if the Gen. has
granted him a fortnight's leave
with pay & that as it is
understood that he can be expected
to work in connection with B
Morgan report on the 11th
then he will continue to
receive pay up to the 20th
has said the CA have
been unable to pay him
anything & that when it
leaves me what to
be done at the same time.

Recd. note on 34

W. Allen

to receive 7/6 as
to Major Hobbs' leave
to sleep to Kyo

£2.0.0 claimed in 40 30

Instruct C.A. &

inform ⁺ ₊ obtainers as to the
 case in the amounts in

40 30.

S.M. Allen
 15/6/32
 at ease

36 To Maj. Foshbrooke - Hobbes - 35 and - (Morrison's) 16
 37 " C.A. 24 38 / 6 / 32

38 To Govt 469 23 JUN 1932

See cases on 2700/4/32, E.A.
 relating to the bearing of expenses
 for the Moyne Commission.

7. P.H. to
 Gov. v. M.
 above

~~34 To Major Foshbrooke Hobbes 10.6.1932~~
~~34 To C.A. 20.6.1932~~
~~38 To Gov. Kenya 27.6.1932~~

39 Major Foshbrooke Hobbes p.tely. 5.7.1932
 States that the period granted to him as leave
 has been taken up with work in connexion with the
 publication, press arrangements and parliamentary
 debate regarding Lord Moyne's Report. Suggests
 that he should receive salary for at least 2 of the
 5 weeks from June 11th to July 2nd.

Sir C. Bottomley

You will see from 38 that Major
 Foshbrooke-Hobbes' services in connexion with
 the Moyne Report were deemed to have
 ended on June 11th, after which he was
 given 2 weeks' leave on pay from Kenya
 funds.

The Report was published on June
 24th & formed the subject of discussion
 in the H.C. on July 1st.

I was away from the Office from
 July 11th to July 27th, so I cannot
 speak personally of the amount of time
 which Major Hobbes devoted to Kenya
 affairs during that period. But I
 know that, in addition to interviews
 with representatives of the Press, he had
 personal talks with Col. Amey, Capt.
 Cayalot & other M.P.s, which bore
 fruit in last Friday's Debate; and

on Friday he was in the Official Gallery all day.

It is fair, I think, to say that the almost unanimous welcome which the Report has received in the Press & Parliament is largely due to Mr. Hobbin's spare work; such a result is cheap at the price of £25.

I may reply that Sigs. has agreed to the extension by 14 days of the period during which he is remunerated from Kenya funds.

Instinct C.A. explain to Gov. (in addition to a despatch on 20 from yourself to Sir J. Byrne seems called for - I will draft if you agree).

A. Denton
6/7

The letter is not being addressed, as it has been stated he actually asks for; but his position is so clear that the intention is to extend his employment by 2 weeks, following it, as before, by 2 weeks leave.

As before.

40 L. J. Brooke - 30 July 1932

41 L. Gov - 13 June 1932

42 " Sir J. A. Byrne - 15. 7. 32

43 " C.A., - (Mc 41) - B.1c - 16. 7. 32

L.F.J. 1932

Parliamentary direction by Lord H. Hooley

No. 3 on A.G. file.

44 To Governor Kenya Tel 209 - 19th Oct. 32

45 Governor Kenya Tel 189 - 20 Oct. 32

Furnishes list of expenditure in connection with Lord Hooley's visit.

Mr. Cliffe

I telephoned this morning to you last night, and indicated that you had made the necessary addition to the draft copy in the P.O. file.

If you will confirm, this paper may be put by.

A. Denton
21/10 32

Yrs.

A. Cliffe

21/10.

46 To J.S.C. Committee - 4. 2. 1932 - 25 Oct. 32

147 Note on action taken on Lord Wynne's report.

M

13 47

The Secretary of State has asked for a note on the action taken on Lord Moyne's Report. The annexed summary is based on pp. 60-62 of the Report. "None" in the right hand column means that no action has been taken, so far as is known in the Department; in some cases it is quite possible that the Kenya Government has taken action and has not reported it.

<u>Paragraphs.</u>	<u>Recommendation.</u>	<u>Action taken</u>
11	Huts of certain native widows should be exempt from taxation.	None } Government has no doubt thought it
12	Tax Exemption for life should be granted to the old, infirm and indigent natives.	None } unwise to tamper with the framework of
21	Rates of Native hut and poll tax to be varied according to taxable capacity of districts.	None } native taxation pending
22	Changes in assessment and collection of poll tax	None } (a) restoration of Colony's financial stability.
23	Livestock tax to be introduced in certain districts.	None } (b) establishment of Native Betterment Committee. Introduction of Livestock and
24	Cultivation tax to be substituted for hut tax.	None } cultivation taxes deprecated by East African Governors Conference, Feb. 1933.
35	Reduction of railway rates on cheap cotton cloth and blankets.	None, } But, as a result of the Gibb Report, Government is engaged on a general review of railway rates.
44	Natives cannot be expected to make a heavier contribution to general revenue; any necessary increase must therefore come from non-native sources.	Accepted as basis of fiscal policy.
53	Non-native poll and education taxes should be amalgamated.	Not accepted.
54	Cost of European Education should be examined by Economy Committee.	Referred to Expenditure Advisor, Committee, who recommended (a) reduction in expenditure on staff (b) consideration of boarding costs and charges by Advisory Council on European Education (c) increase in European School fees (Report 232, 237, 241).
55	Improved educational facilities should be provided for Germans	Government Grant-in-aid doubled in 1935.

Paragraphs.

Recommendation.

Action taken.

114

Budget stability should be ensured by broadening the basis of taxation.

New taxes have been introduced upon the non-native communities, estimated to yield £26,000 in a full year.

65

117-118

Income tax is recommended.

Abandoned in favour of alternatives.

Draft reply to Lord Apsley's question No.16.

Lord Moyne received no fee for his mission. The expenses of his visit are expected not to exceed a sum of £1150, which is being paid by the Government of Kenya. The cost of printing his Report, estimated at £96, was borne by His Majesty's Government.

The Elected Members of the Kenya Legislative Council recorded their protest in principle against charging Kenya funds with any expenditure incurred on investigations arising out of the recommendations of the Joint Select Committee on East Africa. This protest was communicated to me by the Governor, and I informed him in reply that the question whether the cost of any particular enquiry should be borne by the Colony or Colonies is one for decision on the merits in each case, and that it is not possible to accept as a principle that, because an enquiry may arise on the initiative of Parliament, or as the result of directions from the Secretary of State for the Colonies, the cost should therefore be borne by the Imperial Treasury.

15th October, 1934.

Dear Crombie,

I enclose the draft of a reply which Sir Philip Cunliffe-Lister proposes to give tomorrow to Lord Apsley's question (No. 16) about Lord Moyne's visit to Kenya. I gather that Woods had already agreed this informally, but that he asked that formal concurrence should be sought through you. If you have any comments on this night we please have them by midday tomorrow?

Yours sincerely,

(Sd.) A. G. LITTLE.

J. I. C. Crombie, Esq.,

17
46

5th October, 1951.

Dear Crombie,

I enclose the draft of a reply which Sir Philip Cunliffe-Lister proposes to give tomorrow to Lord Apsley's question (No.16) about Lord Moyne's visit to Kenya. I gather that Woods had already agreed this informally, but that he asked that formal concurrence should be sought through you. If you have any comments on this might we please have them by midday tomorrow?

Yours sincerely,

(Sd. J. I. C. Crombie)

J. I. C. Crombie, Esq.,

RECEIVED
29 OCT 1952
18

Draft reply to Lord Apsley's question No.16.

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19
45
RECEIVED
21 OCT 1932
COL OFFICE

Telegram from the Governor of Kenya to the Secretary of State
for the Colonies.

Dated 20th October. Received at 2-52pm 20th October 1932.

/8057/32

No 189.

NONH

Your telegram No 209. Actual expenditure to date £1056.4.

32 cents. Final expenditure expected not to exceed £1150.

O.D.
R 10-27
D 20

20

44

C. O.

18057/32 P. 19.

Mr. ~~Winton~~ 19/10 ~~at home~~

Answer by No 45

Code
3.15/19.10.52

Mr.
S.P.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Parlt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

13c

Your Naishi

DRAFT. Tel.

No. 209 Telegraph amount paid by you
last in connexion with MOYNE'S
visit. Question being asked in
Parliament Oct. 26th Oct. 26th.

C. O.

Mr. Freeston

7/7/32

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

4 C. for Sir C. Bottomley

13 July 1932

DRAFT.

Comp. 4/4

SIR JOSEPH A. BYRNE,
K. C. M. G., K. B. E., C. B.

My dear Byrne,

This is to accompany the Secretary of State's despatch No. 504 about Fosbroke-Hobbes allowance. As matters turned out, his time continued to be very fully employed on our behalf ^{and yours} right up to the date of the House of Commons discussion; in addition to preparing memoranda etc. he was very active in interviewing the leader writers of the important London and Provincial newspapers, and in explaining points of difficulty to a number of Members of Parliament, who were known to be interested in the subject. It would not be far from the truth to say that ^{the} almost unanimous

welcome

welcome which the report has received
in the Press and Parliament here is
largely attributable to Fosbroke-Hobbes's
spade work on its behalf, and I think
you agree that the result was cheap at the
price of £25.

Yours sincerely,

(Signed) W. C. BOTTOMLEY.

G. O.

- Mr. Freeston
- Mr.
- Mr.
- Mr. Parkison.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shackleton.
- Parnt. U.S. of S.
- Party, U.S. of S.
- Secretary of State.

7/7 p.

18057

Kenya

41

C
R 7-JUL
D 8

13 July 1932

Sir,

With reference to my despatch

No. 38

No. 469 of the 23rd June, I have etc.
to inform you that Major A.W.
Fosbroke-Hobbes continued to render
very valuable services in connection
with Lord Moyne's Report up to the
1st July, when that report formed
the subject of debate in the House
of Commons. I have accordingly
agreed that the two dates mentioned
in the last paragraph of my despatch
under reference may be advanced by
14 days, and the Crown Agents for
the Colonies are being requested to
continue paying the allowance from
Home Funds to Major Fosbroke-Hobbes
up to the 9th July inclusive.

DRAFT:

KENYA
NO. 504
GOVERNOR

I have etc.

W. C. BOTTOMLEY

23.9

~~CONFIDENTIAL~~
Whitehall 6834

24, OLD QUEEN STREET,
WESTMINSTER,
S. W. 1.

Private

July 5th 1932

Dear Freeman,

I apologise for troubling you on a small personal matter. You will remember no doubt that my work was deemed to be over on June 11th, after which I was to be allowed 2 weeks leave with pay.

As a matter of fact, however, owing to additional work in connection with publication, press arrangements and the parliamentary debate it was impossible for me either to get away on holiday or to take up full work again at the research department. I feel sure you will agree that in the circumstances it is not asking for too much if I ask that the Keny's part be charged with the cost of my salary in respect of at least two out of the three weeks June 11 - July 2nd during which my time was fully occupied with Keny's affairs. Ellen

and yourself. I think, in a position to
judge whether this is fair because you
are aware of the amount of unforeseen work
that has cropped up, and which it was
necessary or advisable to undertake in order
to ensure as smooth a passage as possible
for the Report.

with apologies, again, for bothering you about such
a matter,

Yours sincerely,

Admiral Fochoke Stokes

C. O.

Mr. Priestman. *W/S*Mr. Allen *18*

Mr.

Mr. Parkinson.

● Tomlinson.

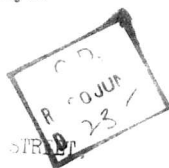
Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

(56 in
17174/B/31)

DOWNING STREET

23 June, 1932.

Sir,

I have, etc., to refer to my despatch No. 101 of the 14th February regarding the terms of employment of Major A.W. Fosbroke-Hobbes in the capacity of Secretary to Lord Moyne.

2. Major Fosbroke-Hobbes has applied to be granted a short period of leave on the completion of his work in connection with the publication of Lord Moyne's report.

3. It is obvious that the time occupied by Lord Moyne's task was shortened by the vigour with which it was prosecuted, thereby reducing the cost to the Government. Major Fosbroke-Hobbes must have applied himself unremittingly to the work; ^{he was} as he travelled by air, being denied the periods of relaxation which sea voyages would

DRAFT.KENYANo. *464*

would have afforded. I feel therefore
that you would agree that in the circumstances
it would be reasonable to allow him
a short period of leave, and as ^{his}
work in connection with ^{his business} the report
terminated on the 11th June, I ^{have approved}
~~it reasonable~~ ^{to} grant him a fort-
night's leave and ^{the} to continue ^{the} payment
of his allowance up to the 25th
June, inclusive.

I have, etc.,

(Sgd.) P CUNLIFFE-LISTER.

C. O.

Mr. Priestman 15/6

Mr. Allen 16/6 JD

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Mr. C. Bottomley.

Mr. J. Shuckburgh.

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.

DRAFT.

THE CROWN AGENTS

FOR THE COLONIES.

18057/32 Kenya

P. 25
37

Downing Street,

16 June, 1932.

Gentlemen, 593

In continuation of Mr. Freeston's

minute 18057/32 of the 24th May in reply to

your minute P/Kenya. A.1253 of the 13th

May regarding the date of the cessation

of the allowance payable to Major A.W.

Fostroke-Hobbes, I am etc. to inform you

that he will continue to receive an allowance

at the rate of £50 per month up to the 25th

June 1932 inclusive. I am therefore to

request that you will ^{in this} ~~kindly~~ arrange payment

of the balance of the allowance ^{as soon as} when it

becomes due into his account with Lloyds

Bank, 6, Pall Mall, S.W.1.

2. I am also to authorise you to pay

forthwith into Mr. Fostroke-Hobbes's account

the sum of £2 in respect of -

(1) an additional premium of £1.15.0 to
cover an extension of his accident
policy by 15 days;

(2) travelling allowance at the rate of 5/
for one night (undamped in Kenya).

Signed: H. T. ALLEN, I am, etc.

36/6/32

18057/32 Kenya *pe 26*
3/26

G. O.

- Mr. Priestman *15/6*
- Mr. Allen *16/7*
- Mr. *16/7*
- Mr. Parkinson.
- Mr. Tomkinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Permt. U.S. of S.
- Partly. U.S. of S.
- Secretary of State.

For signature by Mr. Allen.

Downing Street

502
16 June, 1932.

~~My dear Frobroke Hobbes,~~

(55)

I refer to your letter of the 11th June, and to our conversations regarding the question of the grant to

~~you~~ of leave.

As Holden it has been
~~The Secretary of State has~~

agreed that you should have
~~granted you~~ a fortnight's leave with

full pay, and as it is understood that

~~will~~
you/completed your work in connection with Lord Moyne's report on the ~~11th~~ *16th*

June you will continue to receive pay

up to the 25th June inclusive. As I

he should prefer
explained to you ~~on the telephone it is~~
~~not to make the leave~~
~~not in accordance with our practice to~~

~~make such payments~~ in advance. The

In the telegram
Crown Agents have therefore being

requested to issue you
instructed to pay your allowance when it ~~is~~
in his 25th June becomes due and also to pay to you at

once the sum of £22 which you claim

in

DRAFT.

MAJOR A.W. FROBROKE HOBBS.

*Send to Mr. Simon
(And copies to record)*

3 copies

in your letter in respect of the accident
policy premium and one night's travelling
allowance.

I return the enclosures to your

letter as you may require them ~~what left copies~~
my books
Thank you for your kind

expressions of appreciation for the
~~assistance rendered to you by the Dept.~~

I will let Freeston see your letter when
he returns from a brief spell of leave
which he is now taking.

*I know I am speaking for him as well as
myself when I say that it has been
a great pleasure to work with you on every
matter in which we have been engaged together,
and I will certainly bear in mind your
kind offer of assistance at any future
time.*

Yours sincerely,

(Signed) H. T. ALLEN.

2735

VICTORIA 2024
Whitehall 6834

24, OLD QUEEN STREET,
WESTMINSTER,
S.W. 1.

13 JUN 1932
POOL OFFICE

June 11 1932

My dear Allen,

Referring to our conversation this morning I would be grateful if you could kindly instruct the Crum Agents to pay to my bankers (Lloyds, Lombard & Co Bank, 60 Abchurch Lane) whatever is due to me on account of salary up to the date agreed.

I would also be grateful if you can instruct them to pay at the same time the two small items of which I spoke to you on my return from Kenya

" Additional premium paid to cover period May 3-18 (V letters from Lloyds Bank & attached) £1. 15. 0

" Travelling Allowance 1 night (May 15)

(I received 7 days travelling allowance in Kenya in respect of journey home, but 8 nights were actually spent on travelling)

5. 0
£ 2. 0. 0

Hand 16 6. 32 & orig. with self

LLOYDS BANK LIMITED.

6, PALL MALL,

LONDON, S.W.1.

6th May, 1932.

INSURANCE
CH/EDT. R.

Madam,

Accident Policy No.32 /1075 - through Lloyds
Underwriters - Major A.W. Rosbroke-Hobbes.

We beg to acknowledge the receipt of your letter of the 5th instant, the contents of which we note, and to inform you that we have also received instructions from Major Rosbroke-Hobbes to extend the above mentioned policy to cover him until the 15th instant, so that the matter appears to be in order.

We have not replied to his letter as there would not be time for him to receive our answer, and we shall be obliged if you will advise him on his return to this country.

Yours faithfully,

(Sgd.)

pro manager.

It would be specially convenient if the Crown Agents could be asked to pay the total amount due to me immediately as, I suppose, my duties are now completed and the remainder of the amount due is for leave pay in respect of which it would be useful to receive payment in advance, if that is at all possible.

I hope I am not putting you to too great trouble. May I take this opportunity of thanking you and your department very sincerely for the help and advice you have given to me during my association with the Lord Maynes' Enquiry. It has been a real pleasure to me to have done what little I have, and it is with much regret that I view the close of our work in co-operation upon some very difficult problems. I hope you will call upon me at any time in future if you think I may possibly be of any slight assistance in any way.

Yours sincerely,
A.W. Rosbroke-Hobbes

Mrs. A.W. Rosbroke-Hobbes,
Swinley Cot,
Ascot,
BERKS.

COPY.

LLOYDS BANK LIMITED.

6, PALL MALL,

LONDON, S.W.1.

2nd May, 1932.

INSURANCE.
CH/EDF. R.

Madam,

Accident Policy No.32/1075 - through Lloyds
Underwriters - Major A.W. Fosbroke-Hobbes.

We beg to acknowledge the receipt of your letter of the 28th ultimo and to inform you that the Brokers advise us that the Underwriters will require an additional premium of £1.15.-. to extend the above mentioned policy for 15 days from the 3rd instant. In these circumstances, we are assuming that Major Fosbroke-Hobbes will not object to paying this amount and we are requesting the Brokers to hold covered and will debit his account with the additional premium.

Yours faithfully.

(Sgd.)

pro Manager.

Mrs. A.W. Fosbroke-Hobbes,
Swinley Cot,
Ascot,
BERKS.

C. O.

Mr. Forster 20/5 fr.

Mr.

Mr.

Mr. Tomlinson.

Sr C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

18057

Kenya

34/30

Q D
A 23 MAY
D 23

gfr

~~C.A.~~

DRAFT, Private

Your P/Kenya A 1255.

The payment of £50 to Moya Forbrite. Hodder's bankers should be made on May 31st.

The allowance will cease as from 1st June, of which you should be notified in due course.

Revised by Allen
v 24/5

ROBERT B. FREESTON.

24 May 1951

R 297 331

RECEIVED
14 MAY 1932

East African Department,
COLONIAL OFFICE.

N 552
17/7/31

As requested in paragraph 4 of C.O. letter No. 17174/B/31 of the 9th February 1932 regarding the visit of the Right Hon. Lord Moyne and Major A.W. Fosbrooke-Hobbes to Kenya, I have to enquire whether we should continue payment to Major Fosbrooke-Hobbes bankers of the allowance of £50 per mensem.

This allowance has been paid by us to the 30th April 1932 and the next payment is due to be made on the 31st May.



Pay Department,
Crown Agents,
13th May 1932.

24 MAY 1932

cc B

*All put with
top of it
have back so that
I can show to
25/4/32
JH*

*2
32*

NAIROBI,

Kenya Colony.

15th April, 1932.

My dear Wilson,

It was most kind and helpful of you so promptly to send me such informative memoranda as to the system of native taxation now in force in Nigeria. This information is exactly what I wanted as it discloses a very important difference between that system and the Soudanese *Ushur*. Whereas in the Soudan it is said that adjustment of taxation to capacity is secured automatically by an annual valuation based on prices current in each province, the valuation in Nigeria remains in force for a much longer period and the taxation based on it is adapted to capacity by means of frequent alterations in the rate in consideration of current market prices. The Nigerian method would certainly appear to be more suitable to the conditions in Kenya.

Byrne is at present away in Dar-es-Salaam, but he has always been keen that my report should reach you as soon as possible, and I also am very anxious to get home as I did not anticipate so long a stay. I am hoping to get through with my enquiry by the 8th of May. Such a mass of detail has been collected and it is so impossible to judge what to include until one drafts the report that I feel it necessary to bring it to its final stage and

get facts fully checked before being cut off from sources of information. I don't think the new terms of reference will greatly extend my task. Their issue was no doubt advisable in order to forestall criticism, but I think in any case it would have been unavoidable to deal with the general budgetary position in connection with any readjustments which may be suggested as a result of the enquiry.

I have done all my travelling and have visited eight local Native Councils, besides flying along the coast from the Tana River to the Tanganyika border, and staying a day or two at Entebbe, Zanzibar and Dar-es-Salaam.

I hope that the report may be in your hands by about the 20th of May.

Yours sincerely,

Mogue

Sir Samuel Wilson, G.C.M.G., K.B.E., D.S.O.

18057/32 Kenya

3/34

Am 32

Downing Street,

5 April 1932.

My dear Payne,

I was very much interested in your letter of 17th March, which arrived by air mail a few days ago. This is in no sense a full reply, but merely a covering note to such information about native taxation in Nigeria as we have been able to collect in the time available.

Neither Hunt nor Pindley is on leave at present; the writers of the enclosed notes are District Officers in Southern Nigeria, each of whom has had about 12 years' experience of the Colony. I had hoped to be able to send you a memorandum by C. V. Alexander, our Assistant Secretary of the Southern Provinces. It has not yet reached me, but may arrive in time for inclusion in the bag before it leaves for Craydon.

This bag now come in and will be enclosed.

We

Very truly yours,
D. G. S.

We have just received Byrne's telegram about the extension of your terms of reference; and the Secretary of State proposes to announce them in the House on Thursday, i.e. the day after to-morrow. I am very grateful to you for undertaking this extra burden. I hope you are enjoying yourself. I expect you find Kenya very interesting. It interested me almost more than any other Colony I have been to.

Wishing you the best of luck,

Yours sincerely,

(Sgd) S. H. Wilson.

~~Sir S. Bottomley~~
~~Sir S. Wilson~~

Sir A. [unclear]
Sec of State

~~C. W. Alexander~~
~~P. A. Williams~~
~~H. V. Hamble~~

I attach a copy of the three memoranda on native taxation in Nigeria which were obtained for Lord Roper in Kenya (and were sent to him by air mail tonight.)

The originals are on the Kenya registered paper; I have handed a copy to the African W. Africa Dept. for record.

(The writers have been thanked in each case)

B. Freeth
5/4

The memos should be very useful; it has meant a lot of work for the Director to get them off in time especially as Mr Alexander's memo did not get here till 3.15-6.27.

W.C.S. 5.4.32

Sec of State
(through Sir R. Hamilton)

James Hall [unclear]

J.H.B.
6.4.32

Handwritten initials

DOWNING STREET,

37

6th April, 1932.

Dear Hanitsch,

Thank you for your letter of the 4th of April enclosing your note on assessment in the Southern Provinces of Nigeria, which should prove most useful.

It was very good of you to send it along so quickly.

Yours sincerely,

H. E. Plummer

K. V. HANITSCH, ESQ.

TELEGRAMS
50 DOWNING STREET, LONDON
TELEPHONE WHITEHALL 6942

Confidential

OXFORD & CAMBRIDGE CLUB

PALL MALL, S.W. 1

During the last few years, the assessment of the situation in the world has been such as to cause a great deal of concern and to lead to a feeling of helplessness and despair. It is not surprising that this feeling has led to a search for a new order of things, a new basis for international relations, and a new basis for the life of the individual nations.

The end of the war has brought with it a new order of things, a new basis for international relations, and a new basis for the life of the individual nations. It is not surprising that this feeling has led to a search for a new order of things, a new basis for international relations, and a new basis for the life of the individual nations.

There are also in the world today many people who are looking for a new order of things, a new basis for international relations, and a new basis for the life of the individual nations. It is not surprising that this feeling has led to a search for a new order of things, a new basis for international relations, and a new basis for the life of the individual nations.

TELEGRAMS
 40 SOPHISMEN, 1009, LONDON
 TELEPHONE WHITEHALL 6822

OXFORD & CAMBRIDGE CLUB.

PALL MALL, S. W. 1.

Local administration will be representative of the town or towns
 There are here again districts and village areas which
 correspond, so far as is possible with classes and natural
 subdivisions of the class.

The point which should be emphasized is that the unit
 of assessment is the village area. Through the whole of a
 district is assessed at one time the assessment of each village area
 is shown separately. The importance of the point lies in the
 fact that the separate assessment tends to differentiation in
 the rate of tax imposed in the various communities. Small
 units, where the circumstances in each would justify such differentiation.
 One village area may be poorer than another though
 adjoining it, as regards richness of soil mass of transport and
 so on.

I do not say that in practice when a district is assessed, a
 detailed assessment is ~~in practice~~ actually always made of each
 village area individually. A detailed assessment having been made
 of one, it is possible to make that the basis of a
 & an assessment of village areas which have similar population
 and economic opportunities.

The methods of assessment are set on the lines and principles
 set out in Lord Lugard's Memoranda. The main source of

TELEGRAMS
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TELEPHONE WESTHALL 2825

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PALL MALL, S.W. 1.

income is of course ~~the~~ ^{the} ~~form~~ ^{form}. The total area of the village area is known and with actual survey a reasonably accurate estimate can be made of the area usually under cultivation, and of the yield per acre. The incomes of the industries, cloth-making, blacksmithing, leather-working and so on, are assessed separately. The assessment is carried out by an Administrative Officer working in collaboration with the native authorities or their representatives. The degree of deviation to this that is possible being dependent on the stage of advancement and ability.

The village area assessment, i.e. the total income of the unit having been arrived at and approved on the written estimate report by the Resident of the Province and the Lieutenant Governor, the amount of the tax due is announced publicly.

It then devolves upon the local native authorities, i.e. the village area headman and his elders, to distribute the tax among the population. It should be borne in mind that among the most primitive communities it is customary for contributions to be made by members of a family for some general family purpose, festivals, the building of a family house, and the like, and such contributions are by native custom graded in accordance

TELEGRAMS
 46 GOSWOLDEN PICOY, LONDON.
 TELEPHONE WHITFIELD 8942.

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PALL MALL, S.W. 1.

with ability to contribute and the same applies to
 larger social units. Gracing by ability to pay
 no new thing to the taxation picture.

Lord Mynne refers to uneasiness among the administrative
 Service as to the danger of dishonesty and mis-charge.
 If taxes are to be collected by the natives themselves such
 uneasiness on the part of the European is natural.

There are two safeguards. The first is the opportunity
 of the Administrative Officer to require from a village
 or headman information as to how the tax has
 been distributed. It is surprising to find from some
 primitive communities how clearly the distribution has been
 made, with good reason for the imposition of the tax laid
 upon individuals.

The second safeguard is the opportunity of the individual
 to complain to the native authorities and the Administrative
 Officer of over assessment. A native who ^{without good reason} is called upon to
 pay more than his distress is usually not slow to speak.

I do not maintain that irregularities and corruption will
 never occur in Africa, or for that matter in any other country.
 But my experience goes to show that the system is sound.

TELEGRAMS
40 GOSWELL ROAD, LONDON
TELEPHONE BRITANNIA 3842

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PALL MALL, S.W. 1.

and has reasonable safeguards. Further no colony can afford to provide the European staff to carry out very duty and again the more the native is shut out from such work as that connected with the imposition and collection of taxes the less can he develop an administrative capacity. And I take it to be accepted that our main aim in colonies such as Nigeria is to get the native to take an ever increasing part in the administration.

There may of course be particular reason for basing in some areas the distribution of the village area assessed taxes among individuals equally, i.e. for the collection to take the form of a poll tax. The incidence will of course still be governed by the amount of the village area assessment. Among primitive communities there is frequently very little variation of individual income, and there may be practical reasons for letting it be understood that the sum due is so much per adult male. The general incidence will of course be higher in the more highly assessed village areas.

But the principle of grading according to income is of obvious importance, and in addition provisions the system of distribution described is adhered to, unless there is strong reason to the contrary.

TELEGRAMS
46 GORHAMSTON, PICCADILLY, LONDON.
TELEPHONE WINTERL 5843

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PALL MALL, S.W. 1.

In the Southern Provinces, apart from the Commissions, through the assessment by administrative unit follows similar lines to the system I have described, the amount is divided equally among the individuals within the unit. In the Northern Provinces, a special and separate tax is levied on each head of one of any rate of individual farms and on the number of trees under cultivation. I think myself that two separate demands should be avoided. Individual assessment may be added as carried out in certain European countries. In the newly formed provinces there are special political difficulties. No tax of any sort had been imposed previously and much investigation remains to be made before the tribal and clan organisations are sufficiently known to be used with confidence for administrative purposes. I have not had personal touch with the Southern Provinces for many months but I believe I am right in saying that though much investigatory work has been and is being done, it is in many cases not complete. Obviously the grading of tax requires the assistance of known authorities to deal with it, and where individual units within the limit of assessment remain both division by a rate per head is in the circumstances of these Provinces justified at the present stage.

4
It may be said in short that whether within the limit of assessment the tax is graded or levied at a general rate per head provided the limit of assessment is sufficiently restricted, 'unjust distribution of burden as between richer and more backward native districts' should not occur.

(b)

The assessment stands for some years subject to annual revision. In more advanced areas the annual revision is made under the supervision of the Resident or District Officer by the Head Chief at his Headquarters, or by his representatives who proceed to the district and report to the Head Chief. Circumstances which justify reduction are many failures of rain and fall in prices. Generally speaking the assessments give the higher the benefit of drought and reduction is not made unless the continuance of its rate of the original assessment imposes a burden which cannot easily be borne.

In the more primitive areas annual revision is carried out by an Administrative Officer in consultation with native representatives of the communities concerned.

● (c) The percentage permissible under the standing instructions is up to 10% per cent of income. Actually the time has long been paid back out at about five per cent throughout.

(d) The system is working satisfactorily. In view of the present trade conditions revision down was made in 1931 in parts of the Southern Provinces, and will probably be necessary this year in some instances in the Northern Provinces.

C. W. Woodcock

4. 4. 1932.

Taxes on Taxation in S. NIGERIA

a. The assessment of taxation in South Nigeria is carried out by Administrative Officers. The system generally adopted is for an Officer to inspect several farms in each part of his division. An accurate land survey is not necessary; but the Officer must determine roughly the acreage of various types of produce for a sufficient number of families to enable him to work out a fair average.

It is then necessary to find out the market value of the produce & so arrive at the approximate annual value of the farm, which value must again be divided amongst the various adult males who work the farm.

The term 'farm' may perhaps have a somewhat different significance in Kenya to what it has in S. Nigeria & it should be explained that an average 'farm' in the latter country is about 2 1/2 to 3 acres of cleared bush devoted to the cultivation of yams, corn & minor crops. An estimatory income allowance must be

made for produce which is not cultivated, Palm nuts & oil for instance, which are generally owned communally by a village, which, in S. Nigeria, have a most important bearing on the wealth of the people.

It is therefore obvious that an elaborate system of land survey is not a necessary prelude to taxation.

6. This assessment is not carried out annually. Once completed, one is in possession of certain facts - that when, for instance, the price of palm oil was £27 a ton & 4 pence 10 for a drilling 100 on the average income of an adult male was £22 per annum.

It is obvious that when the price of the main commodity, palm produce in S. Nigeria, either slumps or rises to any marked extent all other commodities show a tendency to follow suit & the tax must be adjusted to meet the altered ~~down~~ circumstances.

In S. Nigeria during the recent slump it has been necessary to lower the tax rate considerably, & this

was done without a new assessment.

It is, however, important that household rolls of villages ~~quarters~~ should be kept up to date and these are usually revised annually by the village authorities themselves.

In ~~own~~ division itself it was found necessary to have varying rates of taxation even within the division, owing to the marked variation in density of population & farming areas available; but in any event these rates vary according to current market prices if the fluctuation is marked.

c. The percentage levied for taxation is not entirely fixed & varies between 1.5 & 2.5 % of estimated gross income of the average adult male. It is by no means necessary for different districts to pay the same rate. In any one Province in South East Nigeria it will be found that there are four or five different rates, depending on the wealth of the various districts concerned.

This variation is necessary not only

on account of variations in density of population, farm acreage available etcetera; but because of the varied occupation of the native population apart from farming. In some areas fishing, in others cloth weaving etcetera, add materially to income the proximity or otherwise of trading stations must be taken into consideration.

d. apart from the outbreak in S.E. Nigeria in 1929 the system has been carried out without opposition and dissatisfaction. This outbreak was largely due to adverse trading conditions and a fear that the tax was to be imposed on women as well as men.

It has been generally found that the system in force has been satisfactory, and that so long as the assessment is carefully carried out by officers who have experience of the areas concerned a very fair estimate of the rate to be levied can be determined. It is important that market prices should be watched so that the rate can

be varied if necessary; and the original assessment should be made, not with the idea of extracting the actual maximum in taxation, but in order to obtain a fair & reasonable figure which can be paid without undue hardship.

It should be added that there are definite rates of taxation for natives employed on fixed salaries; ten shillings for incomes ^{from} ~~up to~~ £50; ^{£200} one pound between ~~£50 & £100~~ ^{£100 & £200} on a fixed rate for certain tradesmen or artisans such as carpenters, letter writers, goldsmiths etc who do not come into the same income category.

P. Williams
D. Nigeria.

Confidential

Notes on the working of the system of taxation introduced into the Southern Provinces of Nigeria

These notes are written at the request of Captain H.E. Priestman of the Nigerian Administrative Services, now attached to the Colonial Office. They refer particularly to the Calabar Province, to which the writer's experience has been limited, but it is understood, both from memoranda and from conversations with officers of other Provinces, that much the same conditions are to be found throughout a great part of the five Eastern Provinces of Southern Nigeria.

2. These Provinces, which comprise Owerri, Calabar, Oritsha, Ogoja, and Warri, remained untaxed until 1920. Prior to that date, the lack of organisation in native society, the shyness of the whole conception of direct taxation among the peoples of S.E. Nigeria, or possibly other factors, had delayed the extension to these Provinces of the system originally adapted from native methods in Northern Nigeria and subsequently introduced into the Western Provinces.

3. In 1927, propaganda on the subject of taxation was begun in the Eastern Provinces. All unpaid labour on roads and buildings was to be discontinued,

and in its place, a tax was to be levied on all adult males (Troops, Police, & those unable to earn a living by reason of bodily or mental infirmity were to be exempt). Half the tax was to be paid to Government, the remaining half was to be spent locally on roads, buildings, and other amenities by the Native Authorities themselves, or, more usually, by the District Officers ^{acting} with the approval of the Native Authorities.

4. The prospect of direct taxation was not welcomed by the people, but in practice it has not been found that the actual payment of the tax, or the mere enumeration of adult males, has been unduly difficult.

5. The original proposal was to impose a flat rate, or a series of flat rates, calculated on information already in possession of Government. This proposal, however, was dropped, apparently owing to opposition among members of the Legislative Council. Accordingly, the existing Native Revenue Ordinance was amended so as to extend its provisions to the two Eastern Provinces.

6. This Ordinance, which had operated for years in the Northern, and for a shorter time

in the Western Provinces, necessitates
 assessments to be made. The general
 procedure is to visit the village concerned,
 inspect its crops, livestock, & industries,
 and arrive at an estimate of the annual
 value of the wealth of the community. The
 tax was to be a percentage of this
 annual value. The percentage fixed was
 $2\frac{1}{2}\%$. In Kenya the amount to be
 contributed by each adult male member of
 a village community was to be fixed by the
 chiefs or elders, so as to spread the burden
 as equitably as possible.

7. It was clear that no immediate
 attempt could be made to assess every
 village in this manner. The instructions,
 therefore, were that a number of typical
 villages was to be assessed, and the annual
 value of their wealth estimated. This sum
 was to be divided by the number of adult
 males, so as to obtain the average
 annual income per adult male. Other
 similar villages could then be readily
 assessed by enumerating the adult males
 & multiplying their number by the
 already ascertained average annual
 income per adult male.

8. A beginning accordingly was made by
 the assessment of a number of typical
 villages in each Division. Here enumeration

would have been a simple matter, but suspicion & hostility were aroused by the careful enquiries as to the acreage under yams, cassava, and the crops, the number & yield of oil and rapeseed palms, & the amount of livestock.

9. The assessment of an adequate number of typical villages, however, was carried out successfully, though not always without friction. It was found that on the whole the average annual income of a typical village worked out at about £12 to £20 for each of its adult males. This was adopted over considerable areas as being the fairest figure on which to work; 2 1/2% of this figure being 7/.

10. It is doubtful whether it would have been desirable in many places to arrive at the amount of the lump sum payable in each village by multiplying the number of taxable males by 7/ without disclosing the 7/ factor. In practice, all officials appear to have found it necessary to announce the average rate of incidence. It is almost certain that this was inevitable. The result was also inevitable. Every taxpayer, considering he had fully discharged his liability by paying no more & no less than the flat rate, and his destroyed the idea that each individual would be assessed by the chief to pay a

fair share of the village contribution in accordance with his wealth. Under these circumstances any real distinction between the general tax and a poll tax appears to be lost.

11. In certain cases the assessed average income was less than £14, & in others it was greater; the flat rate therefore varied from area to area. But as few variations as possible were recommended, as it was felt that discrimination between adjacent areas would breed discontent.

12. In 1927, when the assessments were made, & in 1928, when the tax was collected for the first time, these conditions were satisfactory, & the price paid for each of palm oil was 4/- a four-gallon tin. The flat rate was therefore approximately equivalent to the price received for the remaining unit of measure of this staple product, & by keeping themselves informed as to the volume of trade & the prices paid, officials could assess themselves as to the fairness of the rate of tax to be imposed. Payment had to be made in local African currency, & the money collected was to a great extent liable to be spent on imported goods e.g. in purchasing building material. The tax therefore could be paid only if the taxpayer could sell his produce for local African currency. Most of the surplus interest here is carried on by

means of barter and the use of refuse for
purposes (e.g. the manilla); & much of
the taxpayers annual income is derived
directly from his crops and livestock, and
does not come to him in the form of currency.
The tax, however, must assessed on the annual
income, can be paid only for the part of
the annual income which is derived from the
sale of produce for local currency.

13.

In 1929, after most if not all the tax
had been successfully collected for the second
year, an attempt was made to carry out
assessment in the Ovambo & Caprivi
Provinces. This assessment was to be carried
applied to all villages, instead of to a few
typical villages only. The widespread
unrest in the country, coupled with an
impetuous and headstrong man that the tax
was to be extended to women, led to the
Women's riots of December 1929. Since that
date the practice of further assessments has
been in abeyance, but much work has been
done in collecting & recording information
concerning social organization and in bringing
local administration more in line
with indigenous ideas.

14.

The 1930 collection proceeded fairly
smoothly, but by 1931 the general decrease in
the price paid for produce (chiefly palm oil
and cereals) was making it necessary to revise
the old flat rates. Considerable resistance, however,

have more in the rates payable throughout most of the area concerned, a deduction of nearly 45% being made in many cases. In the Celebes Province the rate in most areas fell from 7/- to 4/-, a figure not much higher than the price then obtainable for a ton of rice.

15. In the case of certain occupations, such as cycle repairs, motor drivers, goldsmiths, letter writers, butchers etc. rather higher rates are in force. Reduction in these special rates also, was made in 1931.

16. The actual methods in force for enumeration & collection vary ^{slightly} from Division to Division, & to a greater extent from Province to Province. In matters of detail, local considerations are paramount. A few points only need to be mentioned.

Generally, the elders of each family group (comprising anything between five and one hundred adult males) are responsible that the sum payable by the family group is brought to the collecting centre.

In Divisional receipts or, at the very least, village tallies, are given to the elders for distribution to each tax payer. In some cases these receipts or tallies are given when the money is brought to the collecting centre; in others, they are given to the elders in advance, & must be accounted for when payment is made.

Procedures are all stereotyped, & in a certain process of development.

The essence of the whole system is to encourage the various Authorities to take an increasingly important part in the collection & expenditure of local revenue.

17. To turn to the first question regarding such particular information is required:-

(a) To what extent is the assessment necessarily based on land survey?

- The original typical assessments included estimates of the area under each crop & such details, but no land survey has been carried out nor does any such survey appear to be of great importance at present.

(b) Does the assessment take place annually and does the valuation vary according to current market prices for produce?

- It would not be possible for each Division to be assessed annually, if by assessment meant a full and careful enquiry into economic conditions such as was carried out in 1927. Nor indeed would any such enquiry be politically desirable, as it would certainly give rise to alarm & distrust. In 1929 a scheme for assessment every five years was formulated, but any such intention has been in abeyance since the riots of 1929 December of that year. On the other hand, the rates of taxation are fixed annually, and although it does not

appear that the question of annual variation was raised when taxation was introduced, it is clear that the recent fall in prices was of necessity taken into consideration when the rate for 1931 was fixed. At the same time it was announced that the rates would be raised again when & if base conditions improved.

(c) What is the percentage now levied, and does the rate vary or between different districts?
— The original flat rates were based on a 2 1/2% levy on the estimated total income whether in cash or produce. They were in most cases reduced when ~~there~~ a decrease took place in that part of the taxpayer's income which was derived from the sale of produce, and from which alone the tax could be paid. It may be presumed that it was considered that the value of all produce, that consumed as well as that sold for export, was considerably less in 1931 than was the case in 1927, and that the present rates still represent approximately 2 1/2% of the total annual income. An annual income represented by 4/- corresponds closely to the wages now accepted by unskilled labourers working in the vicinity of their homes.

The rates of taxation vary or between different districts, due regard being paid to the comparative wealth of the populations concerned. In particular, I believe that in the unpopulated parts of the Oubervic Division they are considerably lower than the 4/- rate which is in

force in most of the Calabar Province. At the same time it is clearly undesirable to allow variations unless the populations taxed at a lower rate are admittedly poorer than their immediate neighbours.

(1) Is the system reported to be working satisfactorily?

— It is as yet too early to give a definite answer to this question. Provided that the rates are adjusted to meet the financial position of the taxpayers, and that some regard is paid to the natural prejudices against what the people consider ill-earned and unnecessary impositions levied on their possessions, it is expected that our increasing knowledge of indigenous organisation and habits of thought, and the growing interest of native authorities in matters concerning their finances, will ensure the present system, which is elastic and can be modified locally from time to time, being accepted as a satisfactory method of direct taxation.

K. V. Hansted

6th April 1932.

Park 4878

ackd on 4 Apr
R.P.
4/12

48 Campbell St.

London W. 8.

2. 4. 32.

Dear Priestman,

I am sending herewith a few notes on taxation in South Nigeria. As you probably know there is no fixed system in force in the South; as some parts, the Yoruba Country for instance, are far in advance of the S.E. Provinces, and have been paying tax for many more years.

Generally, however, one can say that all taxation is based on the productive value of the area; that the system is elastic, can be varied in accordance with the price of our main commodity - palm oil nuts -; that the rate varies as between districts (even within districts (Ivorie, for instance, has 8 or 4 different rates, varying with density of population & farming areas).

The original assessment was made

by Administrative Officer, who, from examining farms etc in various parts of this divisions, arrived at what was approximately the average gross income, in money or money's worth, of an adult male. It was then decided what percentage of this income, gross, should be paid in tax & I think the average was between 1.5 & 2.5% of that income. In the divisions where staff made an assessment the average income was approximately the same tax 7% per adult male.

Terminal rolls are then prepared of the villages & quarters in the Division and the Villager or Quarter heads are responsible for collection of the tax. In time it is hoped that Villagers will come to regard their payments as the amount due from the village as a community & that the Village Council will be able to call on their people to pay accordingly. Other means and status &

So avoid the possible unfairness of
 a ~~fixed~~ tax rate for every man, old
 or young, which is in force at present.

I have prepared these notes rather
 hurriedly and if there is anything
 about which you want further
 information, perhaps you would
 ring me up and I could come
 round to see you.

Yours sincerely

J. A. Williams

Downing Street,

April, 1932.

Dear Williams,

I am at present attached to the Kenya Department of the Colonial Office where an enquiry about the system of taxation in Nigeria has just been received from Lord Moyne who is at present in Kenya enquiring on behalf of the Secretary of State into problems of taxation.

It has been suggested that it would be of great assistance if some information could be obtained from a Nigerian officer on leave regarding the system of taxation recently applied to the Southern Provinces of Nigeria and I thought that you might be able to let us have some particulars to meet the case.

The position is briefly as follows:-

In Kenya at present there is a hut tax and poll tax which are inelastic and do not permit of flat rate relief being given in the poorer and more backward areas.

G.A. WILLIAMS, ESQ.

The question under consideration is whether some system of taxation, possibly by means of a cultivation tax or tithe or general tax, could be introduced to remedy this position. In this connection it is thought that an indication of experience of the working of the system of taxation introduced into the Southern Provinces of Nigeria would be of assistance.

The following are questions on which information would be of particular value:-

- (a) To what extent is the assessment necessarily based on land survey ?
- (b) Does the assessment take place annually and does the valuation vary according to current market prices for produce.
- (c) What is the percentage now levied, and does the rate vary as between different districts ?
- (d) Is the system reported to be working satisfactorily ?

If this letter reaches you in time could you possibly arrange to let me have by Tuesday morning at the latest (the air mail for Kenya leaves on Tuesday evening), a short note suitable for transmission

65

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- (c) What is the percentage now levied, and does the rate vary as between different districts ?
- (d) Is the system reported to be working satisfactorily ?

If this letter reaches you in time could you possibly arrange to let me have by Tuesday morning at the latest (the air mail for Kenya leaves on Tuesday evening), a short note suitable for

transmission

transmission to Lord Moyns.

Will you be so good as to treat this letter as confidential.

P.S. I should mention that we have the memoranda of Lord Lugard and the Native Regime Ordinance of 1917 as revised in 1923 and 1927.

Approved
4/20/81 4:32

3057/12
67

Private & Personal (3)

Code Tel
Grenada,
Nauru

Following for ^{needed based}
1. Low M. O. G. Reg. ^{8:30 pm}
^{5:4:32}
^{7:10}

Most grateful for your
reply and ~~your~~ generous
help; it is for you
you for I regard it as
~~what info~~ am sure
it is not desirable for
you to advise on the
general background for this.

Yours
Sincerely
[Signature]

2968

18057/32
Kenya.

C.D.
R 15 APR
D 15

C. O.

Mr. Freeston 5/11

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S. S.H.W. 5/4/32

Parly. U.S. of S.

X Secretary of State. P.C.L.

*coded & sent
8:30 pm
5:4:32
?HW.*

Private and Personal. (2)

(No. 27)

Your telegram of 5th April, 1

approve supplementary instructions to

Moyne which will be announced in

Parliament on Thursday April 7th in

following terms:-

"In order to make it clear that Lord

Moyne is authorised to review the

general budgetary position of the Colony

I have added the following to the terms

of reference of his enquiry:-

"To make recommendations as to readjustment of taxation and expenditure, if examination of the present position under the original terms of reference discloses a case for change."

You may then publish.

DRAFT. Telegram.

GOVERNOR

NAIROBI.

begin
Recirs. to Mr. McSweeney after despatch.
8/4/32

SECR.

Hermitage-Smith cannot ^{well} ~~get~~ be spared

from Tanganyika and ^{In any case I}

~~would be reluctant to bring in a~~
foresee objection

treasury official at the present

juncture.

SEGER.

9
as he has no experience
of Kenya I doubt if his
advice would be of
much assistance to
Hoyle or
yourself ©

7527

ORIGINAL

Decodes

of a telegram from the

Governor of Kenya

Dated 5 April 1952

1952

Received in the

Colonial

Office at

10.27 a.m.

on

5 April

Dominions

Decoded

C.P.

Decyphered

Private and Personal. I repeated your private and personal telegram of 1st April to Lord Moyne at Lombasa and his reply begins. If Secretary of State considers original reference is not wide enough I would suggest supplementary instructions as follows. Begins:- That I am to make recommendations as to readjustment of taxation and expenditure if examination of present position under original terms of reference discloses case for change. Message ends. With this I agree and if you approve it would help me if an early announcement were made in Parliament.

7126

18057/32
Kenya

books sent
12.45 pm
11/1/32

1 APR
P. O.

Mr. Frickin 1/4
Mr.
Mr.
Mr. Tomlinson.

✓ Sir C. Bottomley.

● Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Att. G. of Secy
1.4.32

DRAFT. Tel.

Gov. Kenya

Private & Personal. Reference Payne's telegram 29 March Private & Personal. I shall be very glad if he will accept ^{such} an extension of his terms of reference as will include any financial questions on which he can usefully report. If you and he will agree a form of words to cover the extension required, please communicate it to me by telegraph. I can then telegraph approval, and if desirable announce in Parliament. On receipt of your reply I will consider further suggestions regarding Committee Smith made in your letter of 13 March. Yours

Downing Street,

31 March, 1932.

Dear Mr. Alexander,

You may have heard that as a result of the recent Joint Committee of Parliament on East Africa, Lord Moyne is at present in Kenya enquiring, on behalf of the Secretary of State, into problems of taxation.

He has just written to Sir S. Wilson to say that one aspect of his enquiries would be facilitated if he could be supplied with certain information on the subject of native taxation in Nigeria. From the enclosed copy of Lord Moyne's letter (which of course you will treat as confidential) you will see more precisely what he wants. Findlay and Hunt are both in the Colony and in any case they would certainly not be better qualified than yourself to come to our assistance.

The air-mail for Kenya leaves on Tuesday evening. Is it too much to hope that you will be able to let me have a short note suitable for transmission to Lord Moyne?

*Yours sincerely
W.C. Bullivant*

G. V. ALEXANDER, ESQ., C.M.G.

CONFIDENTIAL.

Notes on the working of the system of taxation introduced into the Southern Provinces of Nigeria.

These notes refer particularly to the Calabar Province, to which the writers experience has been limited, but it is understood, both from memoranda and from conversations with officers of other provinces, that much the same conditions are to be found throughout a great part of the five Eastern Provinces of Southern Nigeria.

2. These provinces, which comprise Warri, Calabar, Onitsha, Ogoja, and Warri, remained untaxed until 1928. Prior to that date, the lack of organization in native society, the strangeness of the whole conception of direct taxation among the peoples of Nigeria, and possibly other factors, had retarded the extension to these provinces of the system originally adapted from native methods in Northern Nigeria and subsequently introduced into the Western Provinces.

3. In 1927, propaganda on the subject of taxation was begun in the Eastern Provinces. Unpaid labor on roads and buildings was to be discontinued, and in its place, a tax was to be levied on all adult males (except those unable to earn a living by reason of bodily or mental infirmity were to be exempt).

Half the tax was to be paid to Government, and the remaining half was to be spent locally on roads, buildings and other amenities, by the Native Authorities themselves ~~or, more usually~~, by the District Officers acting with the approval of the Native Authorities.

4. The prospect of direct taxation was not welcomed by the people, but in practice it has not been found that the actual payment of the tax, or the mere enumeration of adult males, has been unduly difficult.

5. The original proposal was to impose a flat rate, or a series of flat rates, calculated on information already in possession of government. This proposal, however, was dropped, apparently owing to opposition among members of the Legislative Council. Accordingly the existing Native Revenue Ordinance was amended so as to extend its provisions to the five Eastern Provinces.

6. This Ordinance, which had operated for years in the Northern, and for a shorter time in the Western Provinces, necessitated assessments being made. The general procedure is to visit the village concerned, inspect its crops, livestock, and industries, and arrive at an estimate of the annual value of the wealth of the community. The tax was to be a percentage of this annual value. The percentage fixed was 2%. In

theory

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theory the amount to be contributed by each adult male member of a village community was to be fixed by the chiefs or elders, so as to spread the burden as evenly as possible.

7. It was clear that no immediate attempt could be made to assess every village in this manner. The instructions, therefore, were that a number of typical villages was to be assessed, and the annual value of their wealth estimated. This sum was to be divided by the number of adult males, so as to obtain the average annual income per adult male. Other similar villages could then be readily assessed by enumerating the adult males and multiplying their number by the already ascertained average annual income per adult male.

8. A beginning accordingly was made, by the assessment of a number of typical villages in each division. Were enumeration would have been a simple matter, but suspicion and hostility were aroused by the careful enquiries as to the acreage under yams, cassava, and other crops, the number and yield of oil and raphia palms, and the amount of livestock.

9. The assessment of an adequate number of typical villages, however, was carried out successfully, though not always without friction. It was found that on the whole the average annual income of a typical village worked out at about £12 to £20 for each of its adult males. £14 was adopted over considerable areas as being the fairest figure on which to work; £16 of this figure being 7/-.

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10. It is doubtful whether it would or would not have been desirable in theory to have arrived at the amount of the lump sum payable in each village by multiplying the number of taxable males by 7/- without disclosing the 7/- factor. In practice, all officers appear to have found it necessary to announce the average rate of incidence. It is almost certain that this was inevitable. Its result was also inevitable. Every taxpayer considered he had fully discharged his liability by paying no more and no less than the flat rate, and this destroyed the hope that each individual would be assessed by the chief to pay a fair share of the village contribution in accordance with his wealth. Under these circumstances any real distinction between the general tax and a poll tax appears to be lost.

11. In certain areas the assessed average income was less than £14 and in others it was greater; the flat rate therefore varied from area to area. But as few variations as possible were recommended, as it was felt that discrimination between adjacent areas would breed discontent.

12. In 1927, when the assessments were made, and in 1928, when the tax was collected for the first time, trade conditions were satisfactory, and the price paid to the native for palm oil was 6/- or 7/- a four-gallon tin. The flat rate was therefore approximately equivalent to the price received for the ordinary unit of measure of this staple product, and by keeping themselves informed as to the volume of trade and the prices paid, officers could assure themselves as to the

fairness

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fairness of the rate of taxation imposed. Payment had to be made. West African currency and the money collected was to a great extent liable to be spent on imported goods e.g. in purchasing building material. The tax therefore could be paid only if the taxpayer could sell his produce for West African currency. Much of the country's internal trade is carried on by means of banks and the use of native forms of currency (e.g. the manilla); and much of the taxpayer's annual income is derived directly from his crops and livestock, and does not come to him in the form of currency. The tax, therefore, though assessed on the annual income, can be paid only from that part of the annual income which is derived from the sale of produce for West African currency.

13. In 1929, after much if not all the tax had been successfully collected for the second year, an attempt was made to carry out reassessment in the Gourri and Salaber Provinces. This reassessment was to be applied to all villages, instead of to a few typical villages only. The widespread uneasiness so caused coupled with an unfortunate and baseless rumour that the tax was to be extended to women, led to the women's riots of December 1929. Since that date the question of further assessments has been in abeyance though much work has been done in collecting and recording information concerning social organisation and in bringing local administration more into line with indigenous ideas.

14. The 1930 collection proceeded fairly smoothly, but by 1931 the gradual decrease in the price paid for produce (chiefly palm oil and kernels) was making it necessary to revise the old flat rates. Considerable reductions, therefore, were made in the rates payable throughout most of the area concerned, a deduction of nearly 45% being made in many cases. In the Calabar Province the rate in most areas fell from 7/- to 4/-, a figure not much higher than the price then obtainable for a tin of oil.

15. In the case of certain occupations, such as cycle repairers, motor drivers, goldsmiths, letter writers, butchers etc. rather higher rates are in force. Reductions in these special rates also, were made in 1931.

16. The actual methods in force for enumeration and collection vary slightly from Division to Division and to a greater extent from Province to Province. In matters of detail, local considerations are paramount. A few points only need be mentioned.

Generally, the elders of each family group (comprising anything between five and one hundred adult males) are responsible that the sum payable by the family group is brought to the collecting centre.

Individual receipts or, alternatively, metal tallies, are given to the elders for distribution to each taxpayer. In some cases these receipts or tallies are given when the money is brought to the collecting centre; in others, they are given to the elders in advance, and must be accounted for when payment is made.

Procedure is not stereotyped, and is in constant process of development. The essence of the whole system is to encourage the native authorities to take an increasingly important part in the collection and expenditure of local revenue.

17. To turn to the four questions regarding which particular information is required:-

(a) to what extent is the assessment necessarily based on land survey?

- The original typical assessments included estimates of the area under each crop and such details, but no land survey has been carried out nor does any such survey appear to be of great importance at present.

(b) Does the assessment take place annually and does the valuation vary according to current market prices for produce?

- It would not be possible for each Division to be assessed annually, if by assessment is meant a full and careful enquiry into economic conditions such as was carried out in 1927. Nor indeed would any such enquiry be politically desirable, as it would certainly give rise to alarm and distrust. In 1929 a scheme for reassessment every five years was formulated, but any such intentions have been in abeyance since the riots of December of that year. On the other hand, the rates of taxation are fixed annually, and although it does not appear that the question of annual variation was raised when taxation was introduced, it is clear that the recent fall in prices was of necessity taken into consideration when the reduced 1931 was fixed. At the same time it

was announced that the rates would be raised again when and if trade conditions improved.

(c) What is the percentage now levied, and does the rate ~~vary~~ between different districts?

- The original flat rates were based on a 2 1/2% levy on the estimated total income whether in cash or produce. They were in most cases reduced when a decrease took place in that part of the taxpayers income which was derived from the sale of produce, and from which alone the tax could be paid. It may be presumed that it was considered that the value of all produce that consumed as well as that sold for export, was considerably less in 1931 than was the case in 1927, and that the present rates still represent approximately 2 1/2% of the total annual income. An annual income represented by 28 corresponds closely to the wages now accepted by unskilled labourers working in the vicinity of their homes.

The rates of taxation vary as between different districts, due regard being paid to the comparative wealth of the populations concerned. In particular, I believe that in the over-populated parts of the Owerri Division they are considerably lower than the 4/- rate which is in force in most of the Calabar Province. At the same time it is clearly undesirable to allow variations unless the populations taxed at a lower rate are admittedly poorer than their immediate neighbours.

(d) Is the system reported to be working satisfactorily ?

It is as yet too early to give a definite answer to this question, provided that the rates are adjusted to meet the financial position of the taxpayers, and that due regard is paid to the natural prejudice against what the people consider illomened and unnecessary investigation concerning their possessions, it is expected that our increasing knowledge of indigenous organisation and habits of thought, and the growing interest of Native Authorities in matters concerning their finances, will ensure the present system, which is elastic and can be modified locally from time to time, being accepted as a satisfactory method of direct taxation.

(sd) H.V. Hanites M.

22nd April, 1952.

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SUGGESTIONS FOR CONSIDERATION IN CONNECTION WITH
CULTIVATION TAX.

1. The tax would be based on the estimated value of the crops to be grown on the land. The assessment would be made annually and would be estimated at a money value for each taxation unit based on the yield to be expected. Values would be declared by the Governor or Provincial Commissioner for each district, based upon the market prices ascertained to be ruling at the time in each district.
2. The assessment of each taxation unit would be fixed by the District Officer, assisted by an Assessment Board consisting of the head of the taxation unit with the help of native assessors. The District Officer would leave the detailed distribution as between cultivators within the taxation unit for the most part to the Assessment Board but would himself be the arbiter in all disputed cases.
3. The tax payable to the Government would be fixed as a percentage on the total value shown by the assessment. On the Sudanese precedent it might be 10 per cent. Native Council Rates could be collected at the same time in the form of a percentage surcharge on the taxation units within each Native Council Area.
4. The tax would be collected by the Native Assessment Boards and, to prevent over-charging and peculation District Officers would issue to such Boards sheets of one shilling tax receipts to the total value of the tax to be collected. Such tax receipts would be issued to the cultivators by the Assessment Boards in varying numbers against the payment of tax. They would be

cancelled at the time of issue by a rubber year stamp. A percentage of the tax collected might be allowed as remuneration to ~~the~~ each Assessment Board. Five per ~~cent~~ of the gross collection is allowed for this purpose in the Sudan.

5. In the case of pastoral tribes, such as the Wakamba and the masai, a cattle tax would be imposed, not exceeding 5 per cent of the value. In the Sudan fixed rates are declared annually per head of cattle, sheep, goats, etc. Young and immature animals are excluded and it is a matter for consideration whether, in the case of agricultural tribes, ~~the~~ cattle ~~tax~~ would be ^{taxed} separately or would be included in the general cultivation tax.

~~6. The Provincial Commissioner would fix the date for the payment of the tax.~~

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~~6. The Provincial Commissioner would fix the date for the payment of the tax.~~

A.P.A. 11111 84

NOTES ON TAXATION IN SOUTHERN NIGERIA.

(a) The assessment for taxation in South Nigeria is carried out by administrative officers. The system generally adopted is for an officer to inspect several farms in each part of his division. An accurate land survey is not necessary; but the officer must determine roughly the acreage of various types of produce for a sufficient number of families to enable him to work out a fair average.

It is then necessary to find out the market value of the produce and so arrive at the approximate annual value of the farm, which value must again be divided amongst the various adult males who work the farm.

The term 'farm' may perhaps have a somewhat different significance in Kenya to what it has in South Nigeria and it should be explained that an average 'farm' in the latter country is about 2½ to 3 acres of cleared bush devoted to the cultivation of yams, corn or minor crops. In estimating income allowance must be made for produce which is not cultivated, palm nuts and oil, for instance, which are generally owned communally by a village, and which, in South Nigeria, have a most important bearing on the wealth of the people.

It is therefore obvious that an elaborate system of land survey is not a necessary prelude to taxation.

(b) This assessment is not carried out annually. Once completed, one is in possession of certain facts - that when, for instance, the price of palm oil was £27

JK

a ten and yams 10 for a shilling and so on, the average income of an adult male was £x per annum.

It is obvious that when the price of the main commodity, palm produce in South Nigeria, either slumps or rises to any marked extent all other commodities show a tendency to follow suit, and the tax must be adjusted to meet the altered circumstances.

In South Nigeria during the recent slump it has been necessary to lower the tax rate considerably, and this was done without a new assessment.

It is, however, important that nominal rolls of villages and quarters should be kept up to date, and these are usually revised annually by the village authorities themselves.

In Overri Division itself it was found necessary to have varying rates of taxation even within the division, owing to the marked variation in density of population and farming areas available; but in any event these rates vary according to current market prices if the fluctuation is marked.

(c) The percentage levied for taxation is not entirely fixed and varies between 1.5 and 2.5 of estimated gross income of the average adult male. It is by no means necessary for different districts to pay the same rate. In any one Province in South East Nigeria it will be found that there are four or five different rates, depending on the wealth of the various districts concerned.

This variation is necessary not only on account of variations

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variations in density of population, farm acreage available etc., but also because of the varied occupations of the native population apart from farming. In some areas fishing, in others cloth weaving etc., add materially to income, and the proximity or otherwise of trading stations must be taken into consideration.

(d) Apart from the outbreak in South East Nigeria in 1929, the system has been carried out without opposition and dissatisfaction. This outbreak was largely due to adverse trading conditions and a fear that the tax was to be imposed on women as well as men.

It has been generally found that the system in force has been satisfactory, and that so long as the assessment is carefully carried out by officers who have experience of the areas concerned a very fair estimate of the rate to be levied can be determined. It is important that market prices should be watched so that the rate can be varied if necessary; and the original assessment should be made, not with the idea of extracting the actual maximum in taxation, but in order to obtain a fair and reasonable figure which can be paid without undue hardship.

It should be added that there are definite rates of taxation for natives employed on fixed salaries; ten shillings for incomes from £50 to £100; one pound between £100 and £200, and so on, and fixed rates for certain tradesmen or artisans such as carpenters, letterwriters, goldsmiths etc., who do not come into the earned income category.

(Signed) F. A. WILLIAMS
S.O. Nigeria.

- 1 -

Taking first the questions put in Lord Moyne's letter:-

(a) The assessment is not based necessarily on a land survey. Such a survey would be usually costly and require more staff than is available; a system based on land survey is not feasible in the conditions of shifting population which obtain in the greater part of the Northern Provinces of Nigeria. A system of this nature is in force only in the districts round Lagos in which there is land hunger and the cultivation is intensive.

The unit of assessment is the village area as a unit forming with other similar areas a district in the Northern Provinces at least a great variety of degree of development. There are many Mahomedan Emirates, all of which have for years possessed as the framework of administration a Head Chief and his Council at headquarters, districts under district chiefs, and within each district village areas each under its village headman. The present organisation is based largely on that which these Emirates had evolved for themselves. There are also in the Northern Provinces the most primitive pagan people. Among them, the "Native Administration" the unit of local Government, may be one large tribe, or a combination of tribes. At the centre of the local or Native Administration will be representatives of the tribe or tribes. There are here again districts and village areas which correspond so far as is possible

with

confidential

Taking first the questions put in Lord Moyne's

:-

(a) The assessment is not based necessarily on a land survey. Such a survey would be unduly costly and require more staff than is available; a system based on land survey is not feasible in the conditions of shifting population which obtain in the greater part of the Northern Provinces of Nigeria. A system of this nature is in force only in the districts round Kano in which there is land hunger and the cultivation is intensive.

The unit of assessment is the "village area" a unit forming with other similar areas a "district". In the Northern Provinces it found a great variety of degree of development. There are many Mahomedan Emirates, all of which have for years possessed as the framework of administration a Head Chief and his Council at headquarters, districts under district chiefs, and within each district village areas each under its village headman. The present organisation is based largely on that which these Emirates had evolved for themselves. There are also in the Northern Provinces the most primitive Pagan people. Among them, the "Native Administration" the unit of local Government, may be one large tribe, or, a combination of tribes. At the centre of the local or Native Administration will be representatives of the tribe or tribes. There are here again districts and village areas which correspond so far as is possible with

with clans and natural sub-divisions of the clan.

The point which should be emphasised is that the unit of assessment is the village area. Though the whole of a district is assessed at one time, the assessment of each village area is shown separately. The importance of the point lies in the fact that the separate assessment tends to differentiation in the rate of tax imposed in these various comparatively small units, where the circumstances in each unit justify such differentiation. One village area may be far better placed than another, though adjoining it, as regards richness of soil means of transport and so on.

I do not say that in practice, when a district is assessed, a detailed assessment is actually always made of each village area individually. A detailed assessment having been made of one, it is possible to make that the basis of a fair assessment of village areas which have similar population and economic opportunities.

The methods of assessment are still on the lines and principles set out in Lord Lugard's memoranda. The main source of income is of course in Nigeria the farms. The total area of the "village area" is known and without actual survey a reasonably accurate estimate can be made of the area annually under cultivation, and of the yield per acre. The incomes of the industries cloth-making, blacksmithing leather-working and so on, are assessed separately. The assessment is carried out by an Administrative Officer working in collaboration with the native authorities or

their representatives, the degree of devolution to them that is possible being dependent on the stage of advancement and ability.

The village area assessment, i.e. the total income of the unit, having been arrived at and approved on the ~~written~~ detailed report by the Resident of the Province and the Lieutenant Governor, the amount of the tax due is announced publicly.

It then devolves upon the local native authorities, i.e. the village area headman and his elders, to distribute the tax among the population. It should be borne in mind that among the most primitive communities it is customary for contributions to be made by members of a family for some general family purpose, festivals, the building of a family house, and the like, and such contributions are by native custom graded in accordance with ability to contribute, and the same applies to larger social units. Grading of ability to pay is no new thing to the African native.

Lord Moyne refers to uneasiness among the administrative service as to the danger of dishonesty and over-charging if taxes are to be collected by the natives themselves. Such uneasiness on the part of the European is natural. There are two safeguards. The first is the opportunity of the administrative Officer to require from a village ~~and~~ headman information as to how the tax has been distributed. It is surprising to find even among primitive communities how fairly the distribution has

7
been made, with good reason for the imposition of heavier incidence upon individuals.

The ~~best~~ safeguard is the opportunity of the individual to complain to the Native Authorities and the Administrative Officer of our assessment. A native who without good reason is called upon to pay more than his fellows is usually not slow to speak. I do not maintain that irregularities and corruptions will never occur in Africa, or for that matter, in any other country. But my experience goes to show that the system is sound, and has reasonable safeguards. Further no Colony can afford to provide the European staff to carry out every duty, and again the more the native is shut out from such work as that connected with the imposition and collection of tax the less can he develop in administrative capacity. And I take it to be accepted that our main aim in Colonies such as Nigeria is to fit the native to take an ever increasing part in the Administration.

There may of course be particular reason for basing in some areas the distribution of the village area assessed tax among individuals equally, i.e. for the collection to take the form of a poll tax. The incidence will of course still be governed by the amount of the village area assessment. Among primitive communities there is frequently very little variation of individual incomes, and there may be political reasons for letting it be understood that the sum due is so much per adult male. The general incidence will of course be higher in the more highly assessed village areas.

But the principle of grading according to income is of obvious importance and in the Northern Province the system of distribution described is adhered to, unless there is strong reason to the contrary. In the Southern Provinces, apart from the Cameroons though the assessment by Administrative unit follows similar lines to the system I have described the amount is divided ^{equally} among the individuals within the unit. In one at any rate of the Yoruba Provinces, a special and separate tax is levied on Cocoa, of individual farmers based on the number of trees under cultivation. I think myself that two separate demands should be avoided. Individual assessment if it may be added is carried out in certain large towns.

In the newly taxed provinces there are special political difficulties. No direct tax of any sort had been imposed previously and such investigation remains to be made before the tribal and Clan organisation are sufficiently known to be used with confidence for administrative purposes. I have not had personal touch with the Southern Provinces for many months but I believe I am right in saying that though much investigatory work has been and is being done it is ⁱⁿ many areas not complete. Obviously the grading of tax requires the existence of known authorities to deal with it and where individual incomes within a unit of assessment vary little, division by a rate per head is in the circumstances of these Provinces justified at the present stage.

It may be said in short that whether
 within

within the unit of assessment the tax is graded and levied at a general rate per head, provided the unit of assessment is sufficiently restricted ^{distribution of} unjust burden as between richer and more backward native districts should not occur.

(b) The assessment stands for some years subject to annual revision. In more advanced areas the annual revision is made under the supervision of the Resident or District Officer by the Head Chief at his Headquarters, or by his representatives who proceed to the district and report to the Head Chief. The circumstances which justify reduction are mainly failure of rain and fall in prices. Generally speaking the assessments give the payer the benefit of debt and reduction is not made unless the continuance of the rate of the original assessment imposes a burden which cannot easily be borne.

In the more primitive areas annual revision is carried out by an Administrative Officer in consultation with native representatives of the communities concerned.

The percentage payable under the standing institution is up to 10 per cent of income. Actually the tax ~~is~~ ^{is} paid out at about 5 per cent throughout.

(c) The system is working satisfactorily. In view of the general state conditions, revised assessments are not probably necessary for some time in the Northern Frontier.

CHIEF SECRETARY
NORWICH

NAIROBI.

17th March, 1932.

3C

My dear Wilson,

My inquiry ~~is~~ proceeding quite satisfactorily and I have found the officials most helpful and prompt in supplying me with information. I am not yet in possession of the full picture of the incidence of taxation and benefits as between racial communities but statements are being prepared which will, I hope, give material for a more exact judgment than has been possible in the past.

While I am waiting for figures to clear up the position as between the racial communities, I have concentrated on the incidence of taxation in the native areas and enquiries made during visits to necessitous areas have convinced me that the hut and roll taxes are so inelastic as to cause unjust distribution of burden as between the richer and the more backward native districts. Whereas those communities which supply non-native markets can bear the Shs. 12/- tax without difficulty, remote agricultural areas with poor transport facilities are now struggling under a burden of real taxation which, owing to the fall of prices, seems to be about three times as heavy as it was in 1928. There is, therefore, a strong case for remission of taxation in certain areas, but I think also that the problem of a more scientific method of taxation should be tackled without delay. There is, naturally, considerable uncertainty as to what

BRIGADIER-GENERAL SIR S. H. WILSON, G.C.M.G., K.C.B., A.B.E.,
PERMANENT UNDER SECRETARY OF STATE FOR THE COLONIES,
DOWING STREET, LONDON, S.W.1.

might be the effect on revenue of changing over from a flat rate tax to one based on cultivation value and among the administrative service I find uneasiness as to the danger of dishonesty and over-charging if taxes are to be collected by the natives themselves. I hope however, that this danger may be obviated by some such method as that outlined in paragraph 4 of the attached memorandum.

On my way down here I had a talk with Sir Harold MacMichael as to the "Ushur" or tithe system in the Sudan. Ten per cent has in this way been collected on estimated cultivation value for years past without any difficulty. The enclosed outline of a modified scheme might, I think, eventually be applied throughout this Colony. About six different systems of taxation are in force in various areas in the Sudan and the fact that this causes no friction encourages me to think that a reform could be introduced, experimentally in the first instance, in the more advanced areas here so that no shattering dislocation of revenue would take place. There is a probability that a 10 per cent tax would produce a good deal more from the richer districts than they are now paying and pending the extension of a new system to the whole country it seems possible to give a flat rate relief in the hut and Poll Tax now collected from the poorer and more backward areas. It is clearly desirable to get agreement out here on the general principles of any proposed change before I start for home and it would greatly assist judgment as

to the practicability of a cultivation tax if I could get information during the next four weeks as to how the tithe system works in Nigeria. Mr. Allen gave Fosbrooke-Hobbes the memoranda of Sir Francis Lugard and the Native Revenue Ordinance of 1917 (as revised in 1923 and 1927) but we do not know what modifications may since have been found necessary nor what may have been the experience in working. This system in any case did not originally apply to the whole of Nigeria and I am told that the experience of the districts more lately brought under this system of taxation, especially in the Southern Provinces, would be of much closer application to the conditions here as the natives are there said to be more backward than in Northern Nigeria.

[I am told that it is possible that information as to the system in Nigeria might be obtained in London from either Mr. W. E. Hunt or Mr. G. H. Findlay, who are believed to be on leave. Failing this, it is suggested that Mr. Tomlinson, as an old Nigerian official, might know of someone else now in London who could supply this information.] If so, I should be most grateful if it could be sent by Air Mail. The following are questions on which information would be of great value: -

- (a) To what extent is the assessment necessarily based on a land survey ?
- (b) Does the assessment take place annually and does the valuation, as in the case of the Sudan, vary according to current market prices for produce ?
- (c) What is the percentage now levied and does the rate vary as between different districts ?
- (d) Is the system reported to be working satisfactorily ?

Yours sincerely *Mogue*

TELEGRAMS & STATION.
MASHAM.
TELEPHONE.
NO. 10 MASHAM.

*In answer to
letter of 1/3/13
A*

96

Swinton,
Masham,
Yorkshire.

30th March, 1932.

My Dear Sir

Many thanks for your letter.

I have seen Campbell's telegrams about the Italian speech. You will of course give the Foreign Office all the information we receive.

I think your telegram to Clementi about the Japanese Fleet was exactly right.

I have received the enclosed letters from FitzAlan. I enclose a letter which I have written to the Prime Minister. Please have a copy made of it, and then send on my letter to the Prime Minister, at once, with any comments you like to make. You should also let Vansittart see the whole correspondence. I think FitzAlan's suggestion is impossible, and would land us in hopeless difficulties.

I also send you a letter from Byrne. I have kept the enclosures, but the suggestion about Moyne and Armitage-Smith wants dealing with by telegram at once. We have already told Byrne that he can sound Moyne as to advising on the general financial position.

If Meyne is willing to do this it might be a very good thing to bring Armitage-Smith in, but I should like them, in the first instance at any rate, to act as confidential advisers to the Governor in regard to the general financial position and the preparation of the 1933 Budget.

I certainly do not want to be committed to yet another full dress enquiry without being certain as to its scope and aims.

Even if Meyne cannot undertake the work, I think it would be a very good thing for Armitage-Smith to go into the whole position fully with the Governor. That would have the double advantage of his being able to give the Governor expert advice on the spot, and being available later on to advise us here. There are obvious demerits in a formal enquiry. It advertises the financial difficulties, and it is apt to be inflexible in its conduct and results.

W. C. Wilson
P2-L

Sir Samuel Wilson,

CONFIDENTIAL.

BY AIR MAIL

98

22

GOVERNMENT HOUSE
KENYA

EAST AFRICA

13th March, 1932.

Dear Sir Philip,

I received your confidential letter of 16th February by the last ordinary mail.

Thank you very much for sending me copies of your letters to the President of the Board of Trade and to the President of the Manchester Chamber of Commerce on the subject of the St. Germain-en-Laye Treaty.

As you know, this is a matter which concerns us very deeply and it, together with the general question of Imperial Preference, will be discussed at the forthcoming Governors' Conference. In the meantime, however, you might be interested in the enclosed memoranda: one has been prepared for the Conference and the other was specially called for on receipt of your letter. A point which I suggest merits consideration is the Belgian attitude if the Congo Basin Treaty were renounced for there is a large potential market for Kenya products in the Belgian Congo.

Your personal efforts on behalf of the Sisal Growers are immensely appreciated. In a speech I made last

week.....

2

week at the Convention of Associations I stated:-

"I should like to take this opportunity of expressing the Colony's thanks to Sir Philip Cunliffe-Lister for the personal efforts which I know he has made in support of the Sisal Industry; I trust that the preference granted may do something to assist these sorely tried "planters".

This was loudly applauded.

Lord Moyne has arrived and is hard at work. All sections are much impressed for he is so fair and so approachable. We were indeed lucky to have secured a man of his calibre to conduct this enquiry.

Sir Sydney Armitage-Smith arrived in Mombasa on the 10th and as his boat was remaining there till the 14th I got him to come up here and stay with me. I and my senior officials have had many informal talks with him and I was able to get him in touch with Lord Moyne but only for a very short time as the latter was leaving Nairobi for a tour through the Kikuyu Reserve.

Frankly I am very anxious about the Financial Structure of this Colony: I have been anxious ever since I came here, as is evidenced by my continued desire to get out an independent and acknowledged authority to report on the position.

Now Lord Moyne.....

Now Lord Moyne tells me that he is bound by his terms of reference which in fact appear to be partially framed for political purposes. However valuable his report may be in the way of clearing the air in regard to the incidence of taxation I fear that it may have the effect of showing up the unsoundness of the very foundations on which our system is built. It may be said that this is an abnormal year but I believe that Kenya has never been really normal. Her prosperity which has landed us with such appallingly heavy permanent overhead charges was largely created by the pouring in of capital either in the form of Government loans or private investments. Indirect taxation which is the basis on which non-natives now mainly contribute served its purpose during these boom times but it cannot stand the strain of the present depression which although it may lift will certainly leave its mark for some years to come.

Whereas the native is paying his Hut and Poll Tax practically in full and is in addition paying indirect taxation at an increased rate (I think the increase is about 7% since the last figures were prepared by the Statistician) the European contribution has decreased by no less than 40% and the.....

and the Asiatic by 20%. To add to the complication the production locally of goods formerly imported is growing apace: sugar, tea, beer, tobacco, bacon and hams, jams and tinned fruits are examples of these local products. The position is so serious that I venture to put before you a suggestion which is entirely my own. You have two first-class men out here at present, Lord Moyne and Sir Sydney Armitage-Smith. The detailed knowledge of Colonial taxation which the former may lack could be abundantly provided by the latter. Would you instruct Armitage-Smith to meet Lord Moyne (a few hours' journey by Air) and get them to advise you without delay on the concrete question as to whether the general conditions render advisable an immediate enquiry into the financial structure of this Colony and as to the form such enquiry should take. This would in no way interfere with Lord Moyne's special enquiry which should prove of great value whatever the method of taxation may be. You know that we shall soon have to think about our 1933 Budget and if any radical changes were to be made they should be considered without undue delay.

You no doubt realize my difficulty about the Land Enquiry. F. O'B. Wilson has just returned and he will

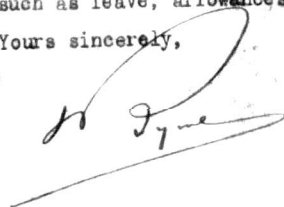
be sounded.....

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA

be sounded as to whether he will consent to sit. If he does consent we must await the result of the Election which will be announced on the 31st March.

The Customs returns for January and February are very disappointing and I am now engaged in trying to effect further economies. But there is a limit to such economies if the Government machine is not to be mutilated and if the public servants are to be kept in a contented frame of mind. The parrot cry here among unofficials when asked to suggest measures for the reduction of expenditure is to cut the officials not only in their salaries but also in their privileges such as leave, allowances, etc.

Yours sincerely,



MAJOR THE RT. HON. SIR P. CUNLIFFE LISTER, P.C., D.S.O.,
SECRETARY OF STATE FOR THE COLONIES,
COLONIAL OFFICE,
DOWNING STREET, S. W. 1.
L O N D O N.

21 ~~101~~

Telegram from the ~~Government~~ of Kenya to the Secretary
of State for the Colonies. 31st March, 1932.

31st March. Private and Personal.

Moyne has shown me copies of his personal telegrams to
you. Following points may be worthy of your consideration
(a) time is an important factor (b) if Moyne's report
should indicate that drastic readjustment in taxation is
necessary an enquiry under the Chairmanship of independent
authority will be demanded so that interests concerned may
be heard before form of adjustment is decided upon. Such
enquiry would naturally have to have very limited terms of
reference so as not to reopen matters dealt with by Moyne.

Personally I consider such enquiry essential
if change is to be carried out without much political
disturbance. The majority of settler community is
reasonable but suitability of measures to be adopted must
be publicly demonstrated. Moyne's report likely to
reach you before the end of May.

Copy sent to Dept.
30.iii.32

18/182

ORIGINAL Decode

of a telegram from the Governor Kenya

Dated 29th March 1932

Received in the Colonial Office at 4 P.M.

on 29th March, 1932

Decoded

by
~~DELETED~~

Private and Personal Reference to your telegraph to Gov. of 17th March I am still awaiting full figures but expect some report on financial position of Kenya may arise naturally from enquiries on present terms. Fresh reference on economic position would revive demand for elaborate enquiry involving undesirable delay besides which I do not feel qualified to undertake it. Report on financial as distinguished from economic position would be facilitated if you could answer friendly questions in Commons (corrupt group) Original reference already wide enough to cover recommendations for re-adjustment of taxation and expenditure if present enquiry should show these to be necessary.

Win Mozue at once that I shall be very glad if he will undertake his terms of reference as covering any financial questions on which he can usefully report. ~~Form of~~

of the Governor with
after a form of words to cover
the extension required
& telegraph transmission. This
formal home, I can
approve by telegram & if
desirable attendance in
the House -

W. H.

No 12 in this file explains how it came about that the proposal for a general economic and financial enquiry was dropped, and that Lord Moyne's terms of reference were directed primarily to the recommendations in paragraph 105(i) of the Joint Select Committee's Report. As to the cost of the various enquiries recommended by the Joint Committee, I have no recollection of any suggestion that it should fall on other than local funds. Paragraph 7 of the Secretary of State's confidential despatch relating to the Joint Committee's Report as a whole, contained the following:-

"Paragraph 46. In this paragraph the Committee suggest an inquiry into railway rates and that this should be one of the first tasks of the Adviser on Transport when appointed, but it is a matter for consideration whether it could not be combined with the investigations recommended by the Committee in paragraph 105(i) which relate to the incidence of railway rates within Kenya itself. In that case the cost of the inquiries would not fall on Kenya alone. I refer to this matter again in paragraph 19 of this despatch."

Further, the letter to Rhodesia Railways Limited relating to the transport enquiry said that Mr. Gibb's salary would be refunded "by the Governments of Kenya, Uganda and Tanganyika jointly (the proportions as between the three Governments mentioned to be determined subsequently by the Secretary of State for the Colonies)."

The Secretary of State's telegram inviting the concurrence of the Governors and the High Commissioner in the proposed arrangements said

13 on 27032 E.A.

cc G. H. Pitt

that

27032 E.A.-

that the Secretary of State considered that the
 Governors' Conference would afford a suitable
 opportunity for discussion of the division
 of costs. A telegram recently received
 from Sir J. Byrne both as Governor and High
 Commissioner, says that the question of the
 division of costs will be discussed at the
 Governors' Conference. It is clear from the
 above that the intention all along has been that
 the expenses of the enquiry ^{as} recommended by
 the Joint Committee, should be borne by local
 funds (and this would include the Land Commission),
 and in any case, I cannot imagine that if we
 had approached the Treasury there would have
 been any prospect of their agreeing to pay. It
 is true that the cost of the Hilton Young
 Commission, out of which all this has arisen,
 was borne by Imperial funds, but that ^{was} is rather ^{a different}
 matter, and ^{it} seems more reasonable that the
 local taxpayer rather than the Imperial taxpayer
 should be expected to bear the cost of these
 specific enquiries.

J.H. Allen

30/3/32

~~ORIGINAL & CONFIDENTIAL~~

15104

BY AIR MAIL

GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

14th March, 1932.

Recd 29/3

My dear Bottomley,

I don't know whether it would be worth while making representations officially about the expenses of Lord Moyne's Enquiry which I see are to be charged against this Government.

*How far
No*

I gather from Lord Moyne that he will stick strictly to his terms of reference, viz., the "incidence of taxation". Now there would have been no question as to our liability had the enquiry covered the larger issues which we were so anxious to have thoroughly investigated but I feel that the present limited enquiry has more to do with home politics than with Kenya. In addition I imagine that the economic enquiry which we have always pressed for will still have to be held (indeed I referred to this in a personal letter I have sent by this mail to the Secretary of State) and paid for.

Yours sincerely,

SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
LONDON.

C. O.

Mr. Allen. 17/3

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Handwritten initials and date: 18/3

DRAFT TELEGRAM

GOVERNOR,
NAIROBI.

Handwritten: 14

Tel Seen

Handwritten box containing:
O: D
R 10
D

Coded & Sent 8.30 pm

*17/3
M.A.*

Private and Personal.

I think I should let you know ~~that~~ it has been ~~repeatedly~~ *mentioned* represented to me that it would be valuable if Lord Moyne could, in addition to reporting on his terms of reference, make some report on the general economic and financial position of the Colony, excluding, of course, railway finances. I realise that you have appointed an Economic Advisory Committee, but if in spite of this you consider it would be desirable to obtain such a report as Lord Moyne might be able and willing to make, I shall be glad if you will raise the matter with him, if you have not already done so as a result of similar representations that

may have been made to you locally

If you do so, please make it ~~clear~~
~~clear~~ to Lord Moyné that I appreciate that
he did not wish to prolong his stay
in the Colony, and that I ~~do~~ ^{could} not
desire to press him to ~~do so~~

~~having accepted a~~

^{the} undertake ^{report} ^{Telegraph copy} ^{if further necessary}
if it to ^{recent} ^{unduly} prolonging his stay.

12¹⁰⁶

N O T E .

1
17/7/4/A/31

In April 1931, Sir Joseph Byrne reported that there might be early demands in the Kenya Legislative Council for the appointment of a local economic Committee of Enquiry which would be in continuous session, and make interim reports to the Government on the lines of the Enquiry of 1922, special emphasis probably being laid on railway finance and rating policy. Sir J. Byrne as a counter measure suggested securing at an early date an authority on economy and finance, and with the approval of the then Secretary of State applied formally for the appointment of a special Commissioner to examine the financial and economic position with special reference to Agricultural and Fiscal policy, including railway finance and policy.

13
17/7/4/A/31

Considerable difficulties were experienced in securing the services of a Commissioner, and before the appointment could be made Sir Joseph Byrne came to the conclusion that circumstances had changed somewhat and that it would be better to postpone any such appointment for a time.

18
17/7/4/A/31

When however the report of the Joint Committee was published, he asked semi-officially that the recommendation in paragraph 105(i) in favour of an enquiry into taxation should be carried out as soon as possible.

It will be seen that, leaving aside the transport aspect of the matter, two forms of the enquiry have been proposed:-

- (a) The agricultural and financial policy in the Colony.
- (b) The incidence of taxation in the Colony under existing circumstances and its distribution between the various communities coupled with the distribution

upon a country which is suffering in the grip of the world wide economic crisis.

I attach for convenience of reference a copy of the private letter and telegram from the Governor as to the Economic Advisory Committee, to which I have referred. It will be seen that its ^{intention} ~~intention~~ is "to keep under constant review the economic situation of the Colony in relation to Government revenue, and to report from time to time". The scope of the Committee is therefore limited.

It will also be seen from the Governor's telegram that he presumed that the enquiry to be made under paragraph 105 (1) of the Joint Committee's report would necessarily cover the general economic position of the Colony and transport finances.

Presumably, therefore, the Governor would not regard the general enquiry and report as superseding or undermining the Local Committee.

JH Allen
27/5/32

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 19th January. Received at 11.1 a.m.

19th January, 1932.

No. 13. Confidential.

Reference paragraph 4 of my personal and confidential letter to Bottomley dated 8th January. In view of organised public agitation I am anxious to appoint a Committee referred to with least possible delay and with the following terms "to keep under constant review the economic situation of the Colony in relation to Government Revenue and to report from time to time with a view to enabling Government to take such action as may be necessary to maintain a balance between the revenue and expenditure". If the Secretary of State approves I would be grateful for telegraphic reply as I wish to put the matter before the Executive Council on an early date. Also having regard to the continued pressure to appoint a local economic and financial committee on the lines of the very unsatisfactory committee which sat in 1922 it would help me greatly if I could make public that steps are now being taken to appoint independent authority referred to in paragraph 105 (i) of Joint Committee Report and that this enquiry will presumably necessarily cover general economic position of the Colony, and of transport finances. Legat is willing to sit provided that his London office agrees. I hope you will approach them and obtain consent as he will be very valuable.

109

Extract from a Personal and Confidential letter
Sir Sir J.A. Byrne to Sir Cecil Bottomley.
Received 25th January, 1932.

x

x

x

Now there is one point on which I should be very grateful if you would send me your advice by Air Mail. I believe it would at this stage be sound policy to bring into being a standing Finance Committee whose functions would be to keep a close watch on the economic position. Customs returns, tax collection, railway figures etc., coupled with the knowledge of the individual members, would be the basis on which reports would be rendered to the Government. The action to be taken on information contained in such reports would be a matter for the Executive Government who could, of course, ask for special advice from the Committee if they thought fit. My present idea as to the personnel would be

The Colonial Secretary - Chairman.

The Treasurer.

The Commissioner of Customs.

A leading Banker (Legat)

A representative of the Associated Chambers of Commerce.

An elected member.

Would you ask the Secretary of State if he would have any objection to such a proposal? If he has none the sooner I get a move on the better.

TELEPHONE
SLOANE 1728.

Apr

11110
113, EATON SQUARE,
S.W.1.

Private

15th March 1932.

Dear Philip,

I have just had a letter from the Editor of the East African Standard, the chief paper in Kenya, saying that there is a strong demand out there that Moyne, after dealing with the taxation question, should conduct a further investigation into the economic and financial structure of the Colony similar to that which Armitage-Smith is conducting in Tanganyika and Pim in Zanzibar. He asks me to further the suggestion if possible in responsible quarters.

I don't suppose Moyne could easily be persuaded to stay much beyond his present expectation, but he could probably do a great deal to restore confidence and reduce controversy in the Colony by producing some Report on the lines which the public seem originally to have expected of him.

Don't please trouble to answer this. I only put the idea before you as it has been represented to me so strongly from Kenya.

Richard Gigg

The Right Hon.
Sir Philip Cunliffe-Lister,
K.B.E., M.P.,
Colonial Office,
Downing Street, S.W.1.

Codebook
S. 30
C.D.
1. 3. 1950
111

C. O.

Mr. Allen. 12/3

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley. 12

Conson. re
Minutes.

Sir J. Shuckburgh.

Perm. U.S. of S.

Party. U.S. of S.

Secretary of State.

no 54 confidential

On assumption that you

would have no objection, I
have agreed to proposal
Government of India to
depute Boxman to assist Indian
community of Kenya in preparing
memorandum for submission to
Lord Moyne. It is not intended
to give any instructions to
Boxman as to advice which he
should tender, and responsibility
for any memorandum that may be
presented will therefore rest
on Indian community.

DRAFT TELEGRAM.

GOVERNOR,

NAIROBI.

Secer.

2 Hfts.

C.O.

12 MAR

18057/32. Kenya.

112
9

Mr. H.T. Allen. 12/3.

Mr.
Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley. 12 f

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street.

12 March, 1932.

IMMEDIATE.

23

Sir,

DRAFT. CONSON.

v. minute.

THE U. S. OF STATE,

ECONOMIC AND OVERSEAS DEPT.,

INDIA OFFICE.

2 dfts.

I am directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 12th March (E. & O. 1853/32) and to request you to inform Secretary Sir Samuel Hoare that he has no objection to the proposal of the Government of India to depute Mr. G.S. Bosman to assist the Indian community in Kenya in preparing a memorandum for submission to Lord Moyne.

2. Sir Philip Cunliffe-Lister notes that it is not intended to give any instructions to Mr. Bosman as to the advice which he should tender and that the

responsibility

responsibility for any memorandum that may be presented
will therefore rest on the Indian community.

~~I am, etc.,~~

3. The Governor has ^{to} been informed
of this proposed advancement ^{to} essentially
by telegraph.

I am
Sincerely
Yours

(Signed) R. V. VERNON.

8
113

Further communication on this subject should be addressed to—

The Under Secretary of State for India,
Economic Department,
& Overseas India Office,
London, S.W. 1,
and the following reference noted—
E. & O. 153/32.



INDIA OFFICE,

WHITEHALL,

LONDON, S.W. 1.

Telephone—
Victoria 8020, L.O. Ext. No. _____
Telegrams—
Retaxandum, London.

12 MAR 1932

12th March, 1932.Immediate.

Sir,

No 2

With reference to correspondence ending with your letter of the 16th February 1932, No. 18057, regarding Lord Moyne's mission of enquiry into taxation in Kenya, I am directed by the Secretary of State for India to state, for the information of the Secretary of State for the Colonies, that the local Indian community have requested the Government of India to depute an officer to assist them in preparing their case. The Government of India state that Sir Fazl-i-Husain on his return journey from South Africa was also approached at Mombasa by representative Indians who pressed for official assistance in the matter in view of the technical nature of the enquiry. The request appears to the Government of India to be reasonable as the matter is one of vital importance to the Indian community.

2. The Government of India accordingly propose that Mr. G. S. Bozman, who is now on his way to South Africa to take up the appointment of Secretary to the Agent of the Government of India in the Union, should halt at Mombasa to assist the local Indians in the preparation of their case. It is not intended to give Mr. Bozman any instructions as to the advice which he should tender and the responsibility for any memorandum that may be presented will therefore rest on the Indian community.

Ans 9

3./

The Under Secretary of State,
Colonial Office,
S.W. 1.

3. Sir Samuel Hoare trusts that in the circumstances Sir P. Cunliffe-Lister will be willing to agree to the Government of India's proposal to depute Mr. Bozman. I am to request the favour of a very early reply as Mr. Bozman is due to reach Mombasa on the 18th March and if he is to undertake the proposed duty it will be necessary for the Government of India to communicate with him by wireless before that date.

I am, Sir,

Your obedient Servant,

E. Turner

Mr. Wardley

The Treasury had no hand in this matter. Lord Moyne was appointed Commissioner to examine certain questions in Kenya by the S. of S. for the C. He took his own Secretary - not a C.O. man. If Major Elliott wishes to do anything in the matter, I think the only way would be direct approach to C.O. Ministers.

(It'd) G.A.G.

7.3.32

Mr. E. B. Boyd

✓ We spoke on the telephone. Could you please let me know what to reply

(It'd) D.J.W.

8/3

It was decided not to appoint a Committee but to entrust the inquiry to Lord Moyne. This course has been warmly approved; and it would be impossible and undesirable to alter this decision. In the circumstances while I appreciate Captain Guest's offer, it would not be possible to associate him with the inquiry.

(It'd) P.C-L.

8.3.32

Mr. Wardley

*See
Register
for
Elliott
8/3*

TELEGRAM

from Nanyuki, [redacted] March, 1932.

Elliot, 14 Markham Square, London

Would be terribly grateful if you could help me
obtain any kind of work on Moyne enquiry here
Congratulations Privy Councillorship

Freddie (Guest)

G. O.

27 ^{nu}
117

Mr. Priestman

5/3
5/4

18057/32 Kenya.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Boltonley.

Sir J. Shuckburgh.

Parlt. U.S. of S.

Parly. U.S. of S.

Secretary of State.



Downing Street,

8 + 2 8 March, 1932.

Sir,

I am etc. to acknowledge the

DRAFT.

(b)

THE SECRETARY,

JOINT EAST AFRICAN BOARD.

receipt of your letter of the 29th February forwarding the views of the Board on the subject of the financial enquiries necessary ^{and relevant to the} conducted in East Africa in the case of Kenya, Tanganyika Territory

(1 in 2704/32 R.A.)

[Handwritten signature]

and requests, and to transmit to you a copy of a Parliamentary Question on the subject with Sir Philip Cunliffe-Lister's reply.

It will be noted that arrangements are in contemplation for ^{separate} investigation into East African railway questions which was suggested by the Joint Select Committee on Closer Union in East Africa in paragraph 46 of their Report.

2. I am also to enclose a copy of Lord Moyne's terms of reference, ^{from which I will be seen} which shows that

(10 in 1714/B/31 paras. 1-3)

his enquiry is not strictly limited
to the points specified in paragraph
105(i) of the Joint Committee Report.

I am, etc.

(Signed) H. T. ALLEN

JOINT EAST AFRICAN BOARD.

617

TELEPHONE:
AVENUE 6837
CABLES:
"JOINTBOARD" London

BEVIS MARKS HOUSE,
BEVIS MARKS,
LONDON, E.C.1.

RECEIVED
1-MAR-1932
SEC OFFICE

29th February 1932.

The Under Secretary of State for the Colonies,
Colonial Office,
Downing Street,
S.W. 1.

P.C. 1/3/32

Sir,

At a meeting of the Joint East African Board held on 24th February the question of the appointment of Lord Moyne as Financial Commissioner to visit Kenya to enquire into the matters specified in paragraph 105 (1) of the Report of the Joint Select Committee on Closer Union in East Africa, and generally to consider the financial and economic situation there in connection with this enquiry, came under consideration.

The Board recognises the importance of this mission but is very anxious that the enquiry should not in any way overlap or conflict with the economic enquiry advised under clause 46 of the Joint Select Committee's Report, which clause was drawn up after most careful consideration of the economic difficulties in connection with railway rates affecting all three territories, whereas clause 105 deals mainly with the political side as affecting the different racial communities in Kenya, and railway freights are only mentioned incidentally.

6 MAR 1932

See 2/632/32
E.A.
(over)

The Under Secretary of State for the Colonies. 29th February 1932.

In view of the fact that the Kenya and Uganda Railway system is one and that it serves the whole territory surrounding Lake Victoria by means of its lake steamers where there is a great concentration of natives, not merely in Kenya but even more so in Uganda and Tanganyika, it would be impossible to obtain the information necessary for a report of any value in connection with railway rates unless the enquiry covered all three territories, and this enquiry is very clearly recommended as an entirely separate one by the Joint Select Committee in clause 46. The reference to railway freights or rates in clause 105 - which the Board understands was very hastily drawn up at a concluding meeting of the Committee - is only incidentally brought in in connection with the main subjects referred to. In view of the importance of having a full and comprehensive enquiry on the question of railway rates, and one which from the start is undertaken with a knowledge of the needs and difficulties of all three territories, the Board trusts that this particular subject will not be taken up with Kenya alone, and considers that it would be better left for the enquiry recommended in paragraph 46. The Board trusts that this enquiry will be taken up at the earliest possible moment as being of vital economic importance.

On the other hand the Board feels that it would be distinctly advantageous if the general financial enquiry Lord Moyne is

The Under Secretary of State for the Colonies. 29th February 1932.

undertaking were not to be exclusively limited to the points mentioned in paragraph 105, and is of opinion that it might be extended to the consideration of some of the financial problems which at the present time, especially in the case of Kenya, are weighing upon a country which is struggling in the grip of world wide economic crisis.

I am, Sir,

Your obedient servant,

R.B. Haney

SECRETARY.

G. O.

- Mr. Allen.
- Mr.
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

1572 J

[Handwritten signatures and initials]

DOWNING STREET,
16 February 1932.

Important.

DRAFT.

**THE UNDER SECRETARY OF STATE,
ECONOMIC AND OVERSEAS
DEPARTMENT,
INDIA OFFICE.**

Sir,

I am directed, etc. to acknowledge the receipt of your letter of the 13th of February, (L 0 1015732) and to request you to inform Secretary Sir Samuel Hoare that the Right Honourable Lord Moyne has accepted an invitation to visit Kenya as Financial Commissioner, with the following terms of reference :-

Copy to Sec (3)

(1) to enquire into the matters specified in paragraph 105 (i) of the Report of the Joint Select Committee on Closer Union in East Africa, viz:

(a) the contribution made to both direct & indirect taxation by the different

Copy to Sec: "
Mr. S. S. of ref 32
on 19/2/31
airmail 16 Feb.

racial communities;

(b) railway freights and import duties,

with a view to discovering the

extent to which each community

benefits or suffers by them;

(c) the amount of money expended in

the interests of each community,

in particular on natives and non-

natives; and

(d) the degree and manner in which finan-

cial responsibility should be

conferred on the ~~Native Council~~

(2) so far as may be necessary for the purposes of the above enquiry to consider

the general financial and economic situa-

tion of the Colony and Protectorate of Kenya,

and

(3) to make a report.

2. Lord Moyne proposes to leave for Kenya

by air mail on the 24th of February, and will

be accompanied by Major W. Postbrooke-Hobbs

as Secretary.

I am, etc.

H. T. ALLEN

INDIA OFFICE,

WHITEHALL, S.W.1.

12th February, 1932.

Dear Allen,

I enclose an advance copy of a telegram regarding a report which has reached the Government of India that a Committee of Enquiry into taxation in East Africa is to begin work in March next.

An official letter on the subject will probably be sent to you shortly.

Yours sincerely,



H. T. Allen Esq.,
Colonial Office,
S.W.1.

1015
1932¹²³

PHB/FCN/DT.

(30 words)

889

DECODE OF TELEGRAM.

(COPIES
CIRCULATED)

From Government of India, Department of
Education, Health and Lands, to
Secretary of State for India.

Dated Delhi, 11th February, 1932.

Received 3.30 p.m., 11th February, 1932.

1140-S. Telegram from East African Indian
Congress says Imperial Government have made arrangements for
enquiry into taxation etc., in East Africa, which will begin
early in March. This is presumably in connection with the
recommendations contained in paragraph 105 of the Report of
the Joint Select Committee. We shall be glad to be informed
whether information of Congress is correct. If so, personnel
of Committee, its terms of reference, and date of arrival in
East Africa may please be telegraphed to us urgently.

Further communication on this subject should be addressed to—

The Under Secretary of State for India,
Economic & Overseas Department,
India Office, London, S.W.
and the following reference quoted:
E. & O. 1015/32.



INDIA OFFICE,

124/

WHITEHALL,

LONDON, S.W. 1.

Telephone—
Victoria 8929. 10 Ext. No.
Telegrams—
Retaxandum, London

13^u February, 1932.

Important.

Sir,

I am directed by the Secretary of State for India to transmit, for the information of the Secretary of State for the Colonies, copy of a telegram regarding a report received by the Government of India that an enquiry into taxation etc., in East Africa is to commence early in March next.

11th February,
1932.

2. I am to enquire whether the information given in the Government of India's telegram is correct. If so, Sir Samuel Hoare would be glad, should Sir P. Cunliffe-Lister see no objection, if information as to the terms of reference of the Committee of Enquiry, its personnel and date of its arrival in East Africa, could be furnished for communication to the Government of India.

It would be observed that the Government of India ask that the desired particulars may be telegraphed to them urgently.

I am, Sir,

Your obedient Servant,

J. Turner

Secretary,
Economic and Overseas Department.

The Under Secretary of State,
Colonial Office,
S.W.1.

*and (?)
Copy to Sir P. C.*

FHB/FCN/DT.

(30 words)

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