

1932.

Kenya

No. 18195

SUBJECT

C0 533/425

Traders Licensing (Amendment) Ordinance, 1932.

No 1 of 1932

Previous

Ordinance 16614/31 Ken

27050/32 E.A.F.

Subsequent

Ord. 18216/32 (Development
of Native Areas)

18217/32 (Trading Areas
Ordin.)

2267/33

Spence to
Library

1 Col. Secty

Open
Committee

14/5/32

copy of Bill
attached

The 12 copies of a Report of Select
Committee of the Legis. Clls on a Bill to
Amend the Traders Licensing Ordinance.

? put by.

A.H.D.

11.6.32

This Bill has been dropped and a
the revised Bill may be awaiting -
see telegram no 82 of the 5th / May
from Governor Kanga on 27050/32 EA
in which the question of the proposed
increase in Bank licence fees
was taken up.

This paper should be BU with
the new Bill when received.

? In the meantime put by

H.S. P. Miss. M.A.
14/5/32

PS

The question of licence fees in Banks
was also considered at the Government's
Conference

HSP

Worke

.616
at all

Spent to
Library

2. Gov. Kenya 29/7 18/7/32
No. 2 authentic & 12 prints of
The Traders Licensing (Amendment)
Ordinance, 1932 together with Legal Report

subject to any legal
obscure. signify non disallowance 93

H.S. Prissman
19/7/32

No observations.
H.S. Prissman

25/7/32

H.S. Prissman
25/7/32

Handwritten notes and signatures in the left margin.

3 To 251548 (2 Amend) C/3 27 JUL 1932

Reference letter and telegram attached

Mr. Allen
R 297 for
attention to papers
and notes.

No amending Bill in the time of
the T.T. Order has been published
in the Kenya Gazette or received.
I informed Mr. Dublin to this
effect and promised to let him
know later when the papers are
available if now with Mr. Stockdale
if the introduction of any such
Bill is indicated in correspondence.
He will not write officially
until he hears again.

I understand that a petition to
the P.M.C. from the Dublin T.T.
was received in respect of the T.T.
Order and is now under consideration.

H.S. Prissman
11/8/32

The whole question of cotton marketing
in the United Kingdom is under consideration
of the Government and it is to be
expected that proposals will be made
in the near future. It is to be
hoped that the Government will
take the necessary steps to
bring about a satisfactory arrangement.

(See Prissman)

6 India Office 8/9/32
 Refer to No 5 General Copies
 of Com from Govt of India regarding
 representations received from the Delegation
 of Indian Chamber of Commerce & Industry
 of E. Africa. Note to keep informed
 of any development of legislation or
 contemplated legislation in this connection

Mr. Allen
 I have been through the Leg Co. Debates
 of the 26th, 29th July, which give a list
 of Bills for consideration during the Session;
 the Report of the Committee; and the Press
 Cuttings up to 10th Sept; and there
 is no reference anywhere to new
 legislation about Trading Licences.

We might perhaps tel. as in
 d. h. i copy to I.O.L.F.
 P. M. Allen
 8/10/32

Unpleasantly this hope was
 delayed while the agenda of the
 Com. considered. It was
 proposed but instead of it was
 so, a copy of the tel. being
 sent the Govt has not yet
 had any intimation from the
 Govt as to the reports intended

7 To Gov. tel 103 - Com - 17.10.32

Gov. Kenya - Tel. 186 - 14/10/32

"No legislation on the lines of the Tanganyika
 District Trade Licences Amendment Ordinance is
 contemplated by this Government at present
 though the general question of improving
 marketing of native produce is at present
 being examined. Any development
 will be reported."

Note
 The letter to
 I.O. indicated
 in the letter
 has not been
 sent.

Later
 Action on
 Com. filed
 behind No 6

now send copy of 7-8 & 10.
 reference to ~~provision~~ saying
 that the Govt of India appears to
 have been misinformed but promising
 to keep us & those informed of
 any developments in the matter
 of the proposed legislation on the
 lines of the Tanganyika Trade Licences
 amendment Ordinance.

H. C. P. Allen
 15/10/32

Dft.
 P. M. Allen
 15/10/32

9 To I.O. - 6 ailed - 19.10.32

To Gov. 789 (w/c 9) A/1 22 OCT 1932
 8 Answer

When office
 is closed

6 India Office — 8/9/32
 Refer to Nos. 1 & 2 enclosed copies
 of ~~cases~~ for Govt of India regarding
 representations received from the Federation
 of Indian Chambers of Commerce & Industry
 of E. Africa. Note to kept informed
 of any development of legislation or
 contemplated legislation in the Commission

Mr. Allen
 I have been through the Leg. Co. Debates
 of the 26th & 29th July, which give a list
 of Bills for session during the Session;
 the report of the ~~Committee~~ and the Press
 Cuttings up to 10th Sept; and there
 is no reference anywhere to new
 legislation about Trading Licences.

We might perhaps tell a
 d. h. info to I.O.E.F.
 8/10/32

Unfortunatly the paper was
 delayed while the heads of the
 have considered. It was
 proposed but instead of it being
 so, a copy of the Tel being
 that the Govt has not yet
 had any intimation from the
 Govt as to the reported intensions

Note
 The letter to
 I.O. indicated
 in the letter
 to Mr. Allen
 has not been
 sent.

Later
 Action on
 Comm. Paper
 below No 6

7 To Gov. Tel 103 - Com - 17 10 32

2 Gov. Kenya — Tel. 186 — 14/10/32

"No legislation on the lines of the Tanganyika
 District Trade Licences Amendment Ordinance is
 contemplated by this Government at present
 though the general question of improving
 marketing of native produce is as you
 know being examined. Any development
 will be reported."

now send copy of 7-8 & 10
 reference to ~~proceeding~~ saying
 that the Govt of India appears to
 have been misinformed but promising
 to keep us & those informed of
 any developments in the matter
 of proposed legislation on the
 lines of the Tanganyika Trade Licences
 Amendment Ord.

J.K. Ponsford
 15/10/32

J.P.
 15/10/32

9 To J.O. - 6 a.m. - 19. 10. 32

To Gov. 789 (W/C 9) A/1 22 OCT 1932
 8 a.m.

10
 The copy of the
 letter to I.O.
 has not been
 sent.

114 Governor Byrne 189 Conf. _____ 29 Dec 32

States three native co-operative Assocs which exist
in the Hibernia Province all employ same firm as selling
agents & give details of marketing potatoes by one of these
Assocs.

This seems to be a very sketch of the
Kind described in the letter at 12 - but
Mr. Stockdale may have had further
details from Mr. Wolfe - see briate at 12c
? Mr. Stockdale should see for any
obscure

J. B. P. S. M. S.
28/1/33

Have you any further or more detailed

info?

J. B. P. S. M. S.
28/1/33

Mr Wolfe was not able to give me any details of
the system, beyond stating that native producers
in defined areas were encouraged by the District
Administration Office to form themselves into a
co-operative association and to sell certain of
their products only through the association. This
association then appoints an agent, who has
full power for the association to dispose of ^{all of} the
particular produce belonging to members. He
works on a commission basis.

J. B. P. S. M. S.

KENYA.

No. 159.

CONFIDENTIAL.



RECEIVED
23 JAN 1933
COL. OFFICE

114
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

29th December, 1932.

Sir,

No 13

I have the honour to refer to your Confidential despatch of the 10th November on the subject of Trade Licences and in particular to paragraphs 4 and 5 thereof.

2. The three native co-operative Associations or Societies which exist in the Kikuyu Province all employ the same firm as their selling agents. This firm is a European Company whose Headquarters are in Nairobi.

3. One of these Societies, the "Kyambu Native Producers Co-operative Society" definitely contemplated the marketing of potatoes as one of its purposes and has in fact disposed of 12 tons of potatoes through its agents during the current year. There is reason to suppose that given a favourable market this side of the Society's activities will be developed.

I have the honour to be,

Sir,

Your most obedient humble servant,

BRIGADIER-GENERAL.
GOVERNOR.

THE RIGHT HONOURABLE
MAJOR SIR PHELIP GUNLIFE-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W. 1.

13
R
D
9

C. O.

Mr. Priestman 5/11/32

Mr. ~~Indran~~ ~~of the~~ ~~Chamber~~

Mr. ~~Allen~~ ~~of the~~ ~~Chamber~~

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permd. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Answered by NOKH
S

Edwing Street,

10 November, 1932.

Sir,

I have etc. to refer to my

(No.10) despatch No.789 of the 22nd October,

and previous correspondence, on the

subject of Trade Licences.

DRAFT.

~~KENYA~~

Confidential

Govr.

2. I enclose, for your informa-

tion, a copy of the correspondence

which gave rise to the enquiry a crossed

to you in my Confidential telegram

(No.7) No.103 of the 12th October.

3. I note from your telegram in

reply that you will keep me informed

of any developments.

4. As regards the reference in

your telegram to the improvement of the

marketing of native produce, I should

be glad to learn whether a system of

marketing

Tel. fr. Govt. of India 9th Augt.

Fr. Indian Merchants' Chamber,
Mombasa, 5th July, to Govt. of
India.

(1st and 4th enoll. to
No.6)

marketing through accredited
agents has been adopted in
connection with the co-operative
marketing ^{scheme} ~~agrd~~ for wattle-bark
in ^{the Province} Kikuyul, referred to in par. ~~4~~ 9/-
of your Confidential despatch
No. 79 of the 4th ~~th~~ June.

(No. 1 in
18214/32)

5. Also if any extension
of the scheme to include the
marketing of potatoes should be
in contemplation, I shall be glad
to receive particulars.

I have, etc.,

(Sgd.) P. OUNLIFFE-LISTER.

12C

Mr. Fowler
Mr. Allen,

Re the attached

I was informed recently of the tactics of the agricultural dept. of Kenya that - the Govt. of Kenya had recently, as part of their marketing assistance to native producers, authorized accredited agents to trade in certain definite circles. He said that - in one or two instances the deal had been very successful and that there would be some suggestion of an extension of the system. The dept. Kenya sometime ago in London & therefore did not feel in a position to give me up to date information.

Remembering my consideration of "exclusion business" in regard to F. T. Uganda I asked Mr. Woolf - Deputy Dir. of agriculture (Kenya industry) for ^{the} latest information - he had promised to come in sometime this month in addition the matter - full detail

I have seen nothing published in this paper ^{myself} ~~suggestion~~ but when he replies to Mitchell's letter of Aug 25th I will let you know. Please in address in Colonial Agriculture to the Belgian Colonial Office. He is a great

consequently is watching fairly closely
what takes place in ^{our} colonies and
the Belgian Congo.

File No. 46,206 may be detached
if these papers are returned to the Registry
I propose to take no action if the place
does not reply, beyond informing the
assentant of Wolff exactly what has been
done in Kenya.

J. A. Kirkdale

2/5/32

127⁹

2, Richmond Terrace,

London, S.W.1.

28th August, 1922.

Dear Sir,

Mr. Stockdale is away on holiday at present, but on his return I will show him your letter of the 19th August (No.780), which I opened in his absence.

I understand that some arrangement of the nature to which you refer was in contemplation by the Government of Kenya, but that was ten years ago. Personally, I know no more than this: but, as the information to which you refer apparently relates to something recent, it would, I think, be convenient to Mr. Stockdale if he could have a copy of the note mentioned in your letter. If you would be kind enough to send it to me I would keep it for him.

Yours very truly,

(Sd) J. G. HIBBERT.

Monsieur Edm. Lepiao.

H. Frost

Could you kindly enlighten me on the matter referred to in the attached letter, and advise what you say in reply.

W. H. H. H.
20.8.32

The Hon.

Neither Dept. nor Registry know of any such system in Kenya; Major Dale, to whom I spoke last night, has never heard of it.

? The Hon. might reply that no such system as that referred to by Mr. Zephos has been introduced by the Govt. of Kenya

W. H. H.

W. H. H.
24/8

46206/22 Kenya shows that an announcement of this sort was contemplated in 1922 in connection with colts. We know that Kenya has something similar in view in regard to fiscal but as the matter is left it is a little surprising that anything should have been published. We shall not respond as in draft.

herewith ^{from} ~~of~~ which than deliberately
inserted as written the date

Mr Stockdale's claim

Dr Allen 24/8

herewith, for which they deliberately
omitted an essential of the date

Mr Stockdale's claim

W. Allen 24/8

12

MINISTÈRE DES COLONIES



Brussels, August 19th 1932.

6 DIRECTION GÉNÉRALE
CABINET DU DIRECTEUR GÉNÉRAL

N^o 780

Sir,

Allow me to ask some information about the following question.

According to a note published by one of our periodicals, the Colony of Kenya has recently organised a system of circles or zones wherein the commerce of some specified agricultural produce will be reserved to the holder or owner of a factory (mill or gin) established within the limits of that circle or zone.

I would be very grateful if you had the kindness to let me know whether this information is exact or not, and eventually how the said commerce is regulated.

With sincere thanks beforehand, I am,
Dear Sir,

Yours sincerely,

Director general of Agriculture,
Colonial Office,
7, place Royale,
Brussels.

Mr Stockdale Esq,
Colonial Office,
London.

" I would only suggest that we might ask for further details regarding the co-operative marketing schemes which have been made in Kikuyu for wattle bark. You will remember that we had some suggestion that action ~~was~~ ^{had been} approaching "exclusive licences"/used in this connexion, and it would be as well to have authentic information on this side, in case any further questions are asked. I have also heard, or seen it suggested some-where, that it is proposed to extend the system which has been put in force in regard to wattle to potatoes, which are an important native export crop to India.

Passage marked X F.A. Stockdale.
10.9.1932

for consignment on 18795/32
as directed by Mr Allen on 18214/32
12/9/32
Development of Native Reserves

9

C. O.

Mr. Priestman, 15/10/32.

Mr. Freaston 15.

Mr. Allen. 15.f.s.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

19 October, 1932.

Sir,

I am directed by Secretary

Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter No.E.

& O.5906/32 of the 8th September,

(6)

regarding representations received by the Government of India concerning the introduction of legislation in Kenya relating to trade licences.

2. Enquiry has been made of the Governor of Kenya who reports that no legislation on the lines of the Tanganyika Territory Trade Licences Amendment Ordinance is contemplated by the Colonial Government at the present time. If any development in this respect is reported Sir Philip Cunliffe-Lister will not fail

to

DRAFT. conson.

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

Copy to Secy of State

22 OCT 1932
11/10/32
Copy to Secy of State

to inform Sir Samuel Hoare.

I am, etc.,

(Signed) H. T. ALLEN.

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

Dated 14th October. Received 2-40 p.m. 14th October, 1932.

No.186.

No 7

Your telegram No.203 Confidential.

No legislation on the lines of the Tanganyika Territory Trade Licences Amendment Ordinance is contemplated by this Government at the present time though the general question of improving marketing of native produce is as you know being examined. Any development will be reported.

Annex 789 A/22 OCT 1932

Coded Reimb 7 15
12.50 p

C. O.

18195 /32. Kenya.

Mr. Freeston 8/10

Mr. Allen 10/10

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Ballomley. 11.10 *Fairer*

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

C.O.
R 12001
D 14

R 123CT
D

Confidential No. 103

Your despatch 18th June 294.

Am informed by Secretary of State for India that Government of India understands from representations from East African Federation of Indian Chambers of Commerce that legislation on lines of T.T. ^{to} ~~Traders~~ Licensing Amendment Ordinance is under consideration by your Government.

Secretary of State for India asks that he may be informed of any developments and requests that text of any legislation contemplated ^{as soon as possible} may be supplied to him and also direct to Government of India.

DRAFT. Tel. (conson.)

Gov. Nairobi.

Copy to I.O. ~~11~~

Co. minute
Ca

Any 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 quoted
E. & O. 5906/32



INDIA OFFICE
WHITEHALL
LONDON, S.W. 1.

Telegrams
Holland, London

9th September 1932.

Sir,

With reference to Mr. Freeston's demi-official letter to Mr. Dibdin dated 19th August 1932, 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 the marginally-noted papers regarding representations received by the Government of India from the Federation of Indian Chambers of Commerce and Industry of Eastern Africa, concerning the contemplated introduction of legislation in Kenya relating to trade licences.

Telegram from Government of India) dated 9th August 1932
Letter from Government of India) dated 15th August 1932 with
-----enclosures-----

2. Sir Samuel Hoare would be glad, should Sir Philip Cunliffe-Lister see no objection, if he might be kept

informed of any development that may occur in this matter and in particular if the text of any contemplated legislation might be supplied at as early a stage as possible both to the India Office and to the Government of India direct.

I am, Sir,
Your obedient Servant,

E. Turner

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

*10/9/32
Sent to Mr. Kenya Camp 10/9/32*

FRB/JGS/AW.

(64 words)

4241.

DECODE OF TELEGRAM.

(COPIES
CIRCULATED)

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

Dated Simla, 9th August, 1932.

Received 9th August, 1932, 3.15 p.m.

F-335/32 Land (sic ? Land). Government of India have received representations from Federation of Indian Chambers of Commerce and Industry of Eastern Africa regarding legislation which is understood to be contemplated in Kenya on lines of Tanganyika Trading Licences (Amendment) Ordinance. Copy will be sent by next air mail. Until we see text of proposed measure(s) we are unable to express any views. Generally speaking, however, comments made in concluding portion of our telegram dated March 15th, 1932, No.251 O.S, regarding Tanganyika Ordinance would appear to apply generally to other territory in East Africa where Indian traders have large vested interests, and have succeeded in promoting trade in native areas. We would be grateful, if copy of the Bill could be furnished, or if there is not time, important provisions of it telegraphed, and opportunity given to us to make such representations, if any, as we may consider necessary in the interests of the Indian community, before legislation is enacted.

*Ind 4-13-32
31682/98.*

Original Sent B

Air Mail

No.F.335/32-L.& O.

GOVERNMENT OF INDIA.

Department of Education, Health and Lands.

Simla, the 15th August, 1932.

H. O.
5706
1932

From

G.S. Bajpai, Esquire, C.I.E., C.S.S., I.C.S.,
Secretary to the Government of India,

To

His Majesty's Under Secretary of State for India,
Economic and Overseas Departments
India Office, LONDON, E.C.1.

Representations received from the Federation of
Indian Chambers of Commerce and Industry of
Eastern Africa regarding trade development
in native areas.

Sir,

In continuation of the telegram from this Department
no.F.335/32-L.& O., dated the 9th August, 1932, on the subject
mentioned above, I am directed to forward, for the

information of
His Majesty's Secretary
of State for India,
a copy of the papers,
the details of which
are given in the
margin.

1. Telegram dated 11th July, 1932, from Mr. J. B. Pandya, President of the Federation of Indian Chambers of Commerce and Industry of Eastern Africa;
2. Letter from the Honorary Secretary, Indian Merchants Chamber, Bombay, dated the 5th July, 1932, and enclosure.
3. Telegram to the Indian Merchants Chamber, Bombay, no.F.335/32-L.& O., dated 21st July, 1932.
4. Telegram from Kunwar Moharaj Singh, M.A., C.I.E., Barrister-at-Law, Agent-designate of the Government of India in South Africa, dated 25th July, 1932.
5. Letter from the Federation of Indian Chambers of Commerce and Industry of Eastern Africa, no.12/5/T.D., dated 20th July, 1932, and enclosure.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- G.S. Bajpai,
Secretary.

191.

Enclosure No. 1.

Copy of a telegram dated the 11th July, 1932, from Mr. J. B. Pandya, the President, Federation of Indian Chambers of Commerce and Industry of Eastern Africa, Mombasa, to the Government of India, Department of Education, Health and Lands.

Further to Mombasa Chambers letter 5th July, Federation Indian Chambers Commerce and Industry representing entire Indian commercial interests of Kenya passed unanimous resolutions requesting Government India depute Kunwar Maharaj Singh to investigate study question Indian Trade in native reserves help Federation presentation case proper quarters. Request inform Kunwar Maharaj Singh stay at least one month in Kenya.

Indian Merchants' Chamber.

P.O. Box 122,

Mombasa, Kenya.

5th July, 1932. 3

To

The Minister in Charge,

The Department of Education, Health & Lands,

Government of India,

New Delhi.

Sir,

Indian traders in these territories are faced to-day with great difficulties due to world economic depression, and in addition the governments of these countries have begun to harass and deprive them of facilities for trading under the disguise of furthering native interests.

In Tanganyika legislation has already been passed which will enable the Government to grant monopolies in collecting and buying native produce to one or two individuals or firms. These monopolies are intended to cover wide districts. The effect of this legislation on the economic conditions of the pioneer Indian traders will be disastrous. In Uganda also the Government has published a similar Bill for introduction in the next session of the Legislative Council. A copy of this Bill is enclosed herein for your information. In Kenya further legislation of this nature is contemplated and a Bill will be brought forward in the August session of the Legislative Council. In promoting this legislation European settlers and European merchants are taking the initiative, the scheme being to deprive the Indians of this trade which during many years they built up in native reserves and secure the work of Indian pioneering for themselves.

*7/20/32
T.M.*

The Indian trading communities faced with these dangers have been organising themselves and the first session of the Federation of Indian Chambers of Commerce and Industry of Eastern Africa will be held at Kisumu on 9th and 10th July under

the

the presidency of Mr. J. B. Pandya. This session will discuss the whole situation. For your information I beg to enclose a copy of the Presidential address.

My object in writing this letter in advance of the session is to catch the mail and to inform you that we do not think it is possible for us to withstand these attacks singlehanded. Therefore we approach the Government of India for help and support in our representations, which will have to be made in London. I am especially drawing your attention to this now, because I am informed that Kumar Maharaj Singh, Agent General to South Africa, will sail by the steamer leaving Bombay on 13th July, and though this letter will not reach you in time for you to consider this matter and convey to him instructions, I trust there will be sufficient time on his receipt to allow of informing Kumar Maharaj Singh at Bombay on or before 23rd July, the date on which his steamer will arrive at Bombay.

This matter will be placed before the session of the Federation to be held at Kisumu on 9th August, and a cable requesting the Government of India to depute Kumar Maharaj Singh, will be sent to you. Kindly consider this letter together with that cable and recognising the urgency of the situation, I hope you will request Kumar Maharaj Singh to break his journey at Bombay and stay in Kenya for about a month to study the situation brought about by this legislation.

If it is not possible for you to arrive at any decision in this matter before 23th July, will you be good enough to give us your sympathetic consideration and perhaps request Kumar Maharaj Singh to proceed to Kenya after taking over the duties of Agent General in South Africa. His influence and advice would be very helpful particularly at the stage when legislation is being introduced and hastened through, if we cannot succeed legally, his firsthand information on these issues will enable him to support us in our representations through the Government of India to London.

The Indian community in these territories renews with gratefulness the help rendered by the Government of India in

deputing

deputing Kunwar Mahara; Singh and Mr. Ewbank at the time
of the Hilton Young Commission and they will appreciate
this further help rendered at a critical time in their
difficulties.

Yours faithfully,

Sd. S. L. G. S. S.

Honorary Secretary, Indian Merchants Chamber.

ESB.
9/8.

The Federation of Indian Chambers of Commerce
and Industry of Eastern Africa.

First session held at Kisumu on 9th July 1932

Presidential address.

President Mr. J. B. Pandya.

I have great pleasure to welcome you Mr. Suddler, as a representative of the Government and as an administrative officer of this province, to this first session of the Federation of Indian chambers of Commerce and Industry of Eastern Africa. I thank you for your interest as shown by your presence to declare this session open; I am sure you will extend to this federation your necessary help and co-operation in this province.

Bright chapter in history.

The work of Indian traders of East African territories forms a bright chapter of its history, worthy of our pride in it, and deserves encouragement because of their usefulness and their contribution to their development since early days of known history. There is a record of service of which any one may well be proud, and viewed impartially cannot but prove to be a valuable contribution to the civilising influence of colonisation here. I could quote high authorities in appreciation of this record of service by Indian traders, but I will not occupy your time on a subject so well-known and so universally acknowledged.

Representative gathering.

We have gathered together here for the first time in the history of Indian settlement in East Africa as representatives of Indian commercial interests. We meet in a place of historic importance on the shores of Victoria Nyanza, where Indians were first settlers as soon as Indian labour had completed the land's only artery of communication in those days, The Uganda Railway.

Kisumu Indian chamber has earned congratulations and appreciation by inviting the first session of the Federation of Indian Chambers of Commerce and Industry of Eastern Africa. The Indian merchants of this town have acted in a patriotic, and commendable spirit, and may I add, in doing so, they have placed the Indian commercial community of Eastern Africa under a debt of gratitude.

24
6

Organised none too soon.

This organisation representing the entire Indian trading interests of Kenya has come into existence none too soon. I hope when the value of our work becomes evident the Indian commercial community of Uganda and Tanganyika will also join it. I may say that an organisation of this nature was considerably overdue but the movement is not yet too late.

This session is not only opportune in this time and place, but is especially desirable because Indian upcountry traders are going through a very difficult period of economic depression, in which they are also exposed to organised attack by other interests which singlehanded they are not in a position to withstand. Town merchants may not have been assailed by this necessity and some may even be easy in a sense of full security, but those of us who have tried to look ahead fear that their turn is not far off. We therefore conceived it well that our session should be held at a place where the problem affecting the interests of Indian traders in the native reserves can be studied at first hand, and all information may be easily available to outside delegates.

Necessity proved.

It may be asked why this Federation of Indian Chambers of Commerce and Industry should be organised when an Association of chambers of commerce is already functioning. The reasons in my opinion are threefold.

1. The majority of Indian traders do not possess sufficient knowledge of English language to enable them to take intelligent part in the proceedings of that organisation even if they wish to do so.

2. The interests of Indian traders often clash with other interests which are predominant in that other organisation.

3. The Association of Chambers of Commerce is of no practical use to Indian traders in solving many of their internal problems.

In my view, therefore, the Indian community stands in need of such an organisation as we are evolving today, and I have no doubt it will be of immense service not only to the Indian community

25
7

but to the interests of the country as a whole.

Co-operation with others.

I can assure you that this organisation is not conceived in any spirit of a counterblast or competition either to the Association of Chambers or to the B., A. I. C. Congress. We shall co-operate with any other institution working to achieve similar aims and objects. Our only aim is to serve the interests of Indian traders who in my view are in urgent need of such a service today, and in doing so I have no doubt we are serving the wider interests of the whole Indian community and the country of our adoption.

Indian traders have permanent interests in this country. They have properties and capital at stake and they cannot therefore help but look at things from those points of view which are beneficial to the country as a whole. Indian traders are a permanent and a stable element of the population and as such their interests are identical with the general interests of the colony.

Hard work needed.

I thank you for electing me as your first president. I can assure you that I accepted this post with diffidence and hesitation. The pioneering work, the laying of a foundation on which the strength of a structure will depend is usually difficult. I am aware of that fact and also that my responsibilities are all the greater now that we are passing through this period of world economic depression. A great deal of hard work is expected from office bearers. I shall however conscientiously render service to the best of my ability and opportunity. If I shall have done something definite in the way of organizing this institution on a permanent basis, or shall have done some service to the Indian commercial interests during the first year of its existence, I shall have deserved the confidence you have today placed in me. I am sure, however, you will agree with me that no one could achieve success singlehanded. I therefore ask you all to work in co-operation with me in the spirit of sacrifice and love, and we can then leave the result to God.

Work before us.

We have a good deal of work before us. It lies in two directions:

25
7

but to the interests of the country as a whole.

Co-operation with others.

I can assure you that this organization is not conceived in any spirit of a counterblast or competition either to the Association of Chambers or to the B.A.I.E. Congress. We shall co-operate with any other institution working to achieve similar aims and objects. Our only aim is to serve the interests of Indian traders who in my view are in urgent need of such a service today, and in doing so I have no doubt we are serving the wider interests of the whole Indian community and the country of our adoption.

Indian traders have permanent interests in this country. They have properties and capital at stake and they cannot therefore help but look at things from those points of view which are beneficial to the country as a whole. Indian traders are a permanent and a stable element of the population and as such their interests are identical with the general interests of the colony.

Hard work needed.

I thank you for electing me as your first president. I can assure you that I accepted this post with diffidence and hesitation. The pioneering work, the laying of a foundation on which the strength of a structure will depend is usually difficult. I am aware of that fact and also that my responsibilities are all the greater now that we are passing through this period of world economic depression. A great deal of hard work is expected from office bearers. I shall however conscientiously render service to the best of my ability and opportunity. If I shall have done something definite in the way of organizing this institution on a permanent basis, or shall have done some service to the Indian commercial interests during the first year of its existence, I shall have deserved the confidence you have to-day placed in me. I am sure, however, you will agree with me that no one could achieve success singlehanded. I therefore ask you all to work in co-operation with me in the spirit of sacrifice and love, and we can then leave the result to God.

Work before us.

We have a good deal of work before us. It lies in two directions.

- 26
8
1. Internal organization or putting our house in order.
 2. Protection against external attacks by other interests.

Both these tasks are essential and must be simultaneously taken in hand. The internal or constructive work amongst ourselves to evolve satisfactory conditions of trading by mutual co-operation and accommodation, is as essential to our success as our determination to stand united against the efforts of others and the government to impose on us discriminatory and harassing conditions of trade.

Conciliation board.

In order to realise the first object of our internal work I am going to lay before this session a proposal to organise an arbitration or conciliation board of this Federation, to which we should appoint the best men we can find from the whole country. This board should try to settle all disputes between various merchants and associations and try to evolve working of rules for mutual protection and co-operation. I am aware that the work of this board will be of a very delicate and difficult nature and its success will depend upon its personnel, and the time and energy its members can devote to the cause. It is possible these efforts may not be immediately successful but I am sure if persistently followed they will ultimately prove to be of vital benefit to those small outside centres where such efforts are most needed.

Protection of interests.

The second point, the protection of Indian trading interests should be left to the working committee of this Federation on which there will be representatives of the whole country. I hope we shall create constitution for the Federation at this meeting so that our work can be immediately organised and the way made smoother. The working committee should try to hold its meetings in various centres as often as possible so that they may be able to attend to special problems of that centre in addition to other important issues they may be discussing there.

Immediate issues.

I will not take your time by detailing the varied questions confronting you; I should however like to mention one or two important questions which are of immediate importance. One of them

One of them is trading in Native reserves. On your behalf I should like to assure the government and the natives that we are most sympathetic towards native interests and it is our duty to support all measures for uplift of natives and to co-operate in improving the marketing conditions of their produce, if and when intensive development of native reserves is undertaken. Indian traders would adopt themselves to any reasonable conditions of trade provided that under the guise of native interests efforts are not made to push them out and give their place to others through government interference and racial legislation. I hope therefore I generally voice your views when I say that being sympathetic to native interests Indian traders would tolerate no injustice or unfairness and will resist it by every means at their command. If however an honest attempt is made to increase native production and serve native interests they will be glad to give it their fullest cooperation. As we are likely to examine this position in greater detail in our debates, I do not think I need say more on this subject now.

The second point is the banking and insurance bill which is now before the select committee. If this measure passes in its present form almost every merchant will be compelled to pay a Bankers license fee of sh.5000. I am sure this Federation would make proper representations in this matter.

Lord Moyne's report.

An important report by Lord Moyne on economic questions and taxation in Kenya has been recently published. Lord Moyne has devoted the greater portion of his report to questions affecting native interests and I welcome various recommendations regarding native taxation and the creation of a native betterment fund to guarantee to natives a minimum of services.

The Mombasa Indian merchants Chamber had submitted a memorandum to Lord Moyne and I am glad that representations made therein regarding incidence of taxation on natives through specific duties and high railway rates on unbleached piece goods had his favourable consideration. I welcome the recommendation for revision of specific rates of duty and railway freight.

Protective duties.

I regret that Lord Moyne did not give to this important item of incidence of taxation on various communities the detailed consideration which it deserved. He says in his report :-

- There is no evidence that the application of these duties
- has unfairly affected the incidence of taxation on various
- communities. The effects of the protective duties as a
- whole cannot be said to bear harshly on any particular
- section*.

To this point of view we do not think it is possible for us to agree. It is evident from the insistence and force with which the agricultural and industrial European interests of Kenya are clamouring for high protective duties that they are most beneficial to their interests. In my view natives and Indians do not benefit in these industries to the extent of their sacrifice. The objection is not taken against the principle of protection but against the degree to which the protection is enforced which results in unfairness in the incidence of taxation.

Lord Moyne observes that "They (protective duties) appear to be fulfilling their purpose if judged by the evidence of decrease in imports."

It seems to me that this is not the correct way of measuring the fulfilment of the purpose. It is necessary at the same time to see and weigh the effect on the cost of living of the people. The prohibitive duties erroneously called protective duties have naturally fulfilled their purpose of decreasing imports, but the measure of success of those duties can only be ascertained by the efficiency with which the industries in question are running and the price at which, in comparison to world markets local consumers obtain those articles. For the sake of comparison I give below prices of sugar and flour the highly protected articles:-

SUGAR. Kenya local sugar is sold in Mombasa at sh 45 per bag of 2 cwt.

The Java sugar if imported costs sh 19 per bag of 2 cwt
CIF Mombasa.

Flour No. 1. Kenya flour of this quality is sold in Mombasa at sh 25/60 per bag.

Indian flour if imported costs sh 17 per bag CIF Mombasa

consumers of these articles, natives and Indians, are paying heavily in their cost of living to these interests.

The injustice is all the more glaring in case of the Indian community when they are legally debarred from possessing land in the highlands to produce these articles. Protection to exclusive Indian industries is denied in this country; as an instance the soap industry at the coast, which is exclusively an Indian enterprise has not been given any protection through Customs duty.

Native marketing advisory council

Lord Moyne has recommended the creation of a native marketing advisory council, which would consist of the Chief Native Commissioner and representatives of the natives and Commerce to advise the government on the trading conditions of produce in native reserves. You should consider this question in all its ramifications when you are discussing this item on your agenda.

Contribution to taxation.

The contributions made to taxes by the various communities have been estimated in this report. The largest item of taxation revenue is produced by indirect taxation, and as Hon. the Commissioner of Customs observes its communal analysis is based on guess work, to form considered and definite conclusions upon an arbitrary and guesswork basis is unfair. As far as the Indian community is concerned I feel that figures of indirect taxation are underestimated and no consideration is given to the proportionate cost paid to local industries when duty revenue from articles such as flour and sugar has dropped as an effect of the very measure of protection designed to increase it - revenue which would otherwise have gone to the credit of the contributions by the large consuming communities namely Indians and natives. It seems to me that division of such indirect taxes such as stamp duties, petrol tax, wines and spirit consumption tax, and customs duties has been arbitrary, and no decisions based on such data can be acceptable to the Indian community.

It will be generally agreed that the Budget must be balanced. Lord Byne observes in this regard that further taxation will be necessary. Such taxation in his opinion should not be imposed on natives, and non-native communities should shoulder all further burden. In this regard income tax is suggested as a fair form of taxation. I am sure you will want to discuss this question during this session.

Advocacy of cash business.

I feel that in this country the sooner we come to cash trading the better it will be for all concerned. The present credit system of business is a heavy handicap both to buyers and sellers. It encourages overtrading, which is one of the primary causes of the present uneconomic competition. When due to reasons over which merchants have no control they fail to realize the money in time to meet the bill on due date, they have to fall back on forced sales or on borrowing at high rate of interest and in both cases ultimately his position weakens until he cannot meet his liabilities.

I realize this to be a very important as well as most difficult and intricate question. I do not find it easy of solution but I use it to indicate the directions in which we shall all have to strive for a strenuous time to improve trading conditions in this country.

Interference by legislation.

There are others who believe in a short sighted policy of controlling this state of affairs by legislation, or by increasing license fees, and restrictions upon granting licenses. If legislation could solve trading difficulties the most advanced countries in the world would have solved them long ago and rid themselves of the menace of bankruptcies and unprofitable conditions of trade. I am convinced that legislative interference would only harass the honest and hardworking type of trader and could not rid us of the type of people unfitted for commerce. Therefore, any interference in trade through legislation should be avoided. Those who

advocate restriction by law put up the arguments with capital and standing are alone allowed to trade the trading conditions can be altered. I would like to ask them whether big concerns are not involved in overtrading and creating conditions of forced sale and borrowing? If that be true - and the fact is there - what is the difference between a small firm and a big firm? The big firm runs on longer, that is all, it must come to the same end. I am sure they would not be prepared to advocate cancelling the licenses of all big firms concerned in creating ruinous conditions of trade.

Then let us take the restriction of licenses. Restricting a few shops in any one centre would not necessarily remove unhealthy competition. It would be the same thing if ten or twenty traders in a given locality persist in a spirit of jealousy and competition. What we should get at is the mentality of traders and to evolve conditions under which the trader is less likely to indulge in overtrading. The primary condition for curing the disease is the cash system of trading. I put this to you in order that you may give your careful, individual, and united consideration to vital issues of this nature, which have much to do with our well-being and prosperity in this country.

Unity is strength.

I feel we should all try to work in harmony and co-operation amongst ourselves and with others. That way lies the solution of many of our difficulties in Eastern Africa. In this undreamt of time of depression it is all the more necessary to use great uplifting power and benefit of the well-known maxim "Unity is strength". Let me hope that the Indian commercial interests will stand united and shoulder to shoulder, at the same time offering co-operation to others and extending the hand of fellowship and friendship to those who are willing to grasp it, in the issues affecting the whole country. We are thus fulfilling an important function in the economic life of this country.

Conclusion.

In conclusion I would like to quote Lord Irwin's memorable words in his address, whilst opening the second session of the Federation of Indian Chambers of Commerce and Industry, presided over by Sir Parahotamas Thakoredas in 1928 at Calcutta.

He said :-

"The Commerce and Industry of a country are its very life blood and their prosperity reacts quickly and surely on the welfare of every individual citizen. Any government worthy of its name will realise that one of its first duties is to foster and strengthen the commercial life of a country by any means that lie within its power, and it cannot but be grateful for advice and frank criticisms of representative bodies such as Federation of Indian Chambers of Commerce."

These words are as true for Kenya as for India. Although it must be regretfully acknowledged that the government of Kenya has not accorded due prominence to the commercial interests in this country and have often subordinated them to agricultural interests, let us hope they will take a lesson from the present economic circumstances and will learn the usefulness of Lord Irwin's words.

I hope Sir Joseph Byrne's government in Kenya will begin a new chapter in the history of this country by allowing its commercial interests to take their due place, and remember that this Federation of Indian Chambers of Commerce and Industry forms no small or insignificant portion of such interests.

Telegram to the Indian Merchants Chamber, Mombasa.
~~Commerce and Industry of Eastern Africa, Mombasa, No. F. 335/32-~~
L.S.O., dated the 21st July, 1932.

Your letter July 5th. Government of India regret inability to spare Kunwar Maharaj Singh's services. His presence urgently required South Africa.

Enclosure No. 4.

Telegram from Kunwar Maharaj Singh, Agent of the Government of India in South Africa, Mombasa, to the Government of India, Department of Education, Health and Lands, dated the 25th July, 1932.

....

Please see Pandya's letter to you dated twentieth July on behalf Federation Indian Chambers Commerce. Several Indian leaders here tell me that legislation on lines already passed in Tanganyika and Uganda is contemplated in Kenya. They unanimously consider that legislation will be very injurious to Indian traders. They hope that Government India will inform Kenya Government of fears entertained by Kenya Indian community who in this matter have support of Mombasa and Kisumu Chambers of Commerce both containing European members with a majority in Mombasa and will point out to Kenya Government strong Indian feeling against legislation and necessity for giving fullest consideration to opinion of Government India before taking action. I endorse these views.

Letter from the President, the Federation of Indian Chambers of Commerce and Industry of Eastern Africa, Mombasa, No. 12/5/T.D., dated the 20th July, 1932.

The Federation of Indian Chambers of Commerce and Industry of Eastern Africa at its First Session held at Kisumu on the 10th July 1932 passed the following resolution on the subject of 'Trade development in Native areas'.

Resolution.

- * This Federation entirely disagrees with the Memorandum submitted by the Nairobi Chamber of Commerce to the Government of Kenya and Lord Moyne and by the Executive of the Association of Chambers to the Governors' Conference at Dar-es-salaam on the question of trade development in Native areas.
- * That the Memorandum in question is inspired by racial prejudice and recommendations made therein are harmful to Indians and Native interests.
- * This Federation appoints a committee of the following 15 members to keep in touch with these questions.
- * This committee should report progress to the Working Committee of the Federation from time to time.

Members of Committee

1. Mr. Bhagwanjibhai, (Nairobi).
2. Mr. Hanjibhai Jannahamed, (Nairobi).
3. Mr. Salimahamed (Nairobi).
4. Mr. Amritlal Mehta, Ladha (Nairobi).
5. Mr. Goychandras (Nairobi).
6. Mr. Prasadhbhai (Thika).
7. Mr. Siddhbhai (Port Hall).
8. Mr. Dhyaialal Raichand (Naiyasha).
9. Mr. D.M. Massey (Gilgil).
10. Mr. A. Prasad (Nairobi).
11. Mr. M.K. Lakha (Kisumu).
12. Mr. H.J. Desai (Kisumu).
13. Mr. P.L. Pandya (Kisumu).
14. Mr. Hashamabhai Ismail (Kisumu).
15. Mr. Jamsadji Jang (Escarpment) and
16. Mr. Ramji Nathu.

* That it be an instruction to the Working Committee to make representations to the Government of Kenya and generally to take any steps necessary to safeguard the interests of Indian Traders in Native Reserves.

* The Federation of Indian Chambers of Commerce and Industry representing the entire Indian Commercial Interests of Kenya requests the Government of India to depute Kameswar Maharaaj Singh to investigate and study the question of trade in Native Reserves affecting Indian traders and help the Federation in its presentation of the case to proper quarters.

"That it be an instruction to the Working Committee to meet Kunwar Maharaj Singh at Bombasa and present to him the whole case in this matter."

1. I beg to confirm my cablegram dated Kisumu, 11th July 1932 (copy attached hereto) conveying the above resolution.
2. For your information I beg to record briefly the history of this important subject which is very vital to the interests of Indian Traders. Under the guise of serving Native interests efforts are being made to deprive the Indian Traders of their legitimate trade in the Native Reserves. Legislation on the subject was first introduced in Tanganyika Territory on 12th February 1932. I beg to enclose herewith a copy thereof for your information (Annex No.1.). I am informed that the Dar-es-Salaam Indian Association has submitted to you their case in this matter.
3. Subsequently at the Governors' conference held at Dar-es-Salaam in April 1932 this subject was discussed and it seems that a general agreement was arrived at in regard to the measures to be adopted on the lines of Tanganyika Legislation. To this conference the Association of Chambers of Commerce submitted a Memorandum on this subject copy of which is enclosed herewith (Annex No.2.).
4. Soon after the Governors' Conference the Government of the Uganda Protectorate in the Official Gazette dated 16th June 1932 have given notice of introduction of similar legislation copy of which is annexed herewith (Annex No.3).
5. In Kenya also efforts are being made to introduce such legislation and the traders feel that their interests are jeopardised. The Federation has taken steps to organise a committee to keep in touch with this question and as the subject is of very great importance I propose to keep you informed of the developments on this subject.
6. The Federation has submitted to the Government of Kenya a memorandum dealing with the Memorandum submitted by the Association of Chambers of Commerce (Annex No.2) to the Governors' Conference. I beg to hand you herewith a copy thereof for your information (Annex No.4).

7. I feel that it would be necessary for the Government of India to come to the help of Indian traders in presentation of their case to the Secretary of State for the Colonies if the Local Government fails to give justice to their representations. No fitter person than Kunwar Maharaj Singh, the Agent General of the Government of India to South Africa could be found to undertake these duties. His services rendered at the time of the Hilton-Young Commission have been very much appreciated by the Indians in East Africa and it is felt that he would be of material help to us. I therefore requested you in my cablegram to depute him to this country at least for one month and I am awaiting your reply.

8. An emergency meeting of the Working Committee of the Federation has been arranged to meet him on his arrival at Mombasa on the 23rd July 1932 when all information on this subject would be placed before him.

9. My committee feels that if it is not possible for you to arrive at any decision before hearing from Kunwar Maharaj Singh as soon as you have heard from him you will request him to proceed to Kenya from South Africa. The Government of India has always helped us at critical junctures and in my opinion such a critical time has arrived again.

THE ATTACK ON TRADERS.
ASSOCIATED CHAMBERS' CASE PUT.
HISTORY OF THE
ATTACK.

The following resolution was passed at the recent Meeting of the Association of Chambers of Commerce of Eastern Africa at Jinja.-

"This Association urges upon Government the need for the introduction of up to date commercial methods in connection with development of native areas in Eastern Africa. This Association would further urge that the commercial community should be more closely associated with this development than is the case at present."

Following on the above the following two resolutions were passed at the last meeting of the Nairobi Chamber of Commerce.

"This chamber requests Government to constitute a Board which should endeavour to frame some definite outline of considered policy with the object of introducing improved Commercial methods in native areas and reserves. This board to consist of the Chief Native Commissioner as Chairman with two or three members of the Native Administration, and three or four members of the commercial community. Technical Officers of Government should not be appointed to this Board, whose functions should be purely commercial, but the services of such officers should be made available if required."

"This Chamber is satisfied that the present unsystematic methods of granting of trading licences in township areas and trading centres in native reserves definitely retards their proper economic development."

"Applications for licences should be made to properly constituted licencing boards which should satisfy themselves as to the integrity of the applicant and have some considered policy with regard to the numbers of trading licences which can be granted for each centre."

"Applications should further be required to deposit a bond as a guarantee of their financial standing."

means, new. For many ~~xxx~~ years past, Chambers of Commerce have endeavoured to assist Government in connection with this very important subject. Recently the Nairobi Chamber submitted the first of the above resolutions to the Associated Chambers of Commerce and, at the same time, appointed a small Sub Committee to go into questions of marketing generally which sub Committee also had instructions to consider commercial questions affecting the development of trade in the Native Reserves.

METHODS AT JINJA.

The first of the above resolutions occasioned an interesting debate at the recent meeting of the Associated Chambers at Jinja which passed the resolution unanimously with the further suggestion that the Executive of the Associated Chambers should endeavour to follow it up with some concrete proposal. As the sub Committee of the Nairobi Chamber (just referred to) is largely composed of members of the Executive of the Associated Chambers, the Committee considered, after considerable thought and discussion, that it was in the interest of both bodies and ^{indeed} ~~that~~ of the country generally were the second and third resolutions above put forward in that the first resolution merely expressed a bald and pious hope to the effect that improved commercial methods in native reserves were desirable whereas the second and third resolutions did make some definite and considered suggestions.

These further resolutions were therefore put forward and passed at the last meeting of the Nairobi Chamber of Commerce.

THE AUTHOR EXPLAINS.

In this memorandum I do not, therefore, propose to deal with resolution No. 1, which only deals with the subject in general terms, but I will endeavour to make out a case in favour of resolutions Nos. 2 and 3.

Referring, therefore, first to resolution No. 2, critics may be tempted to ask "Why appoint yet another Board. Surely we have Boards and Committees enough without any further Board being suggested." I must therefore demonstrate why the Committee consider that such a Board is necessary.

Under present conditions uncoordinated efforts are being made both by District Officers and in some cases by private individuals or firms in different parts of the country. All such efforts have the same object in view and therefore these efforts should by some means be coordinated. This could best be done by some central authority such as the Board suggested which, after a period, would be in a position to give District Officers considerable information and obviate the same mistakes being repeated in different parts of the country.

INSIDIOUS ALLEGATIONS.

From such evidence as the sub-Committee referred to above has had before it, it is quite obvious that the Government and Administrative Officers are badly in need of the assistance of commercial experience. Especially is this the case in the matter of framing conditions by the Government under which commercial enterprises can be undertaken in native areas.

It has happened that really large commercial firms of world-wide reputation have endeavoured to commence operations or make experiments in this country. It can only be to the country's advantage to permit and encourage such schemes of development. The Government, in their laudable desire to protect the native, have been known to frame impossible conditions, which has ended in the breaking off of negotiation. With the assistance of the commercial community Government might find it easier to achieve their object and at the same time draw up conditions which could be looked upon as practicable from a commercial point of view.

Equally the commercial community cannot do much without the assistance and experience of Administrative Officers. At present the only kind of co-operation which is attempted consists of holding some sort of conference of Provincial Commissioners, etc., at lengthy intervals of time at which conference occasionally commercial representatives are asked to attend. These conferences invariably end in well sounding phraseology, a dispersal of the parties back to their home districts, and the putting off of any further action until the next conference - which is probably attended by different

gentlemen who are quite unaware of what actually gets placed at the previous conference, and thus very little actually gets done. The suggested Board could ensure continuity in this respect and follow up any suggested action.

RAISING A BODEY.

Again, the whole question being an extremely complicated and difficult one, it takes a good deal of discussion before anyone interested can bring even vaguely to see some sort of daylight; then it is only to find that there are probably even on a small committee two schools of thought.

One school of thought maintains that the Native should not be permitted to dispose of his produce to the same person from whom he buys his requirements, but he should be, in some way, induced to sell his products either at some fixed centre or co-operatively and that the ~~fix~~ act of the native selling his crops and the act of the native buying his requirements should be entirely separated. In other words, one school of thought is very anxious to do with the present system of barter under which the native takes his crops to a duka and either sells them for cash or exchanges them for goods.

The other school of thought considers this is not practicable and that by improved centres the system of barter or obtaining produce through shopkeepers could be made equitable and workable.

Lastly and probably the most important function of the Board suggested should and must be the correlation of commercial information with regard to the reserves I have spent a little time recently endeavouring to collect such information and although in a country in the present state of development of Kenya the immense difficulties of collecting such data can be understood I think few would credit the paucity of even essential information, or believe how contradictory the figures obtainable are. As this is a very important aspect of the question I feel I must give certain figures proving the above preamble.

gentlemen who are quite unaware of what actually took place at the previous conference, and thus very little actually gets done. The suggested Board could ensure continuity in this respect and follow up any suggested action.

RAISING A BOOEY.

Again, the whole question being an extremely complicated and difficult one, it takes a good deal of discussion before anyone interested can be even vaguely to see some sort of daylight; then it is only to find that there are probably even on a small committee two schools of thought.

One school of thought maintains that the Native should not be permitted to dispose of his produce to the same person from whom he buys his requirements, but he should be, in some way, induced to sell his products either at some fixed centre or co-operatively and that the ~~fix~~ act of the native selling his crops and the act of the native buying his requirements should be entirely separated. In other words, one school of thought is very anxious to do with the present system of barter under which the native takes his crops to a duka and either sells them for cash or exchanges them for goods.

The other school of thought considers this is not practicable and that by improved centres the system of barter or obtaining produce through shopkeepers could be made equitable and workable.

Lastly and probably the most important function of the Board suggested should and must be the collation of commercial information with regard to the reserves I have spent a little time recently endeavouring to collect such information and although in a country in the present state of development of Kenya the immense difficulties of collecting such data can be understood I think few would credit the paucity of even essential information, or believe how contradictory the figures obtainable are. As this is a very important aspect of the question I feel I must give certain figures proving the above preamble.

We should perhaps first realize what the extent of the native reserve is. The total native areas of Kenya - if you include the Northern Frontier Province, Turkana, etc. amount to 107,840,000 acres, of which the native reserves proper amount to 30,908,000 acres. In connection with this I would add that the land surveyed into farms and alienated to Europeans only amounts to 6,847,360 acres. There still remain about 8,45,440 acres of land surveyed and available for alienation. These figures are of interest when the total value of agricultural exports of native origin are given.

I shall begin by citing the export figures as given in the Native Affairs Department Circular No. 34 dated 30th August 1931, and checked by extracts from the Agricultural Census of 1930:-

In 1926 of a total export of agricultural products of £2,245,144 native production accounted for £.470,750.

In 1927 of a total export of agricultural products of £2,731,794 native production accounted for £.97,780.

In 1928 of a total export of agricultural products of £2,747,248 native production accounted for £482,437.

In 1929 of a total export of agricultural products of £2,383,903 native production accounted for £535,740.

In 1930 the last year for which figures with regard to this are available of a total export of agricultural products amounting in value to £3,157,457 native production only accounted for £395,750.

Therefore in 1926 native agricultural exports amounted to about 1/5th of the total exports of agricultural produce of Kenya Colony but in 1930 they were only about 1/8th.

It is appreciated that the value of the produce exported is not an accurate indication of the amount actually grown owing to fluctuations in prices and local consumption but figures over five years might be expected to show an increase in the ratio of native exports to non-native - at any rate there is no apparent reason, were the native reserves properly developed, for this proportionate falling off as the areas

and very inadequately developed owing to the fact that this is as yet a very young Colony.

THE VOICE OF ENYU.

It has been suggested at meetings of the Committee which put forward this motion that a considerable quantity of native grown crops may find their way to the export market through the medium of Europeans and through the Kenya Farmers' Association, or alternatively, are purchased locally and converted into maize meal thus releasing a considerable quantity of European grown maize and making same available for export, and that, therefore, native production does count for more of the export crops than the above figures show.

However, I asked the Director of Agriculture's advice on this matter and he informed that in his opinion the quantity of native grown crops exported through European Agencies was quite negligible. He believed that practically none went out that way. Colonel Griffiths of Kenya Farmers' Association, informed me that little or no native grown maize was converted into posho by mills controlled by his Association.

Turning from exports to the wealth of the native reserves and consequent buying capacity practically no figures are available in terms of sterling. I can, however, give some figures in terms of crop yields and acres under cultivation, also in terms of live stock owned. But again my information is not more recent than 1930, and in considering figures of this nature it must be borne in mind that owing to the illiterate state of the native population the collation of a census of the actual acreages developed and numbers of live stock possessed is impracticable.

Estimates have been secured through District Commissioners and Agricultural Officers and although it is asserted that the figures so obtained may bear a considerable degree of accuracy it should not be forgotten that they are but estimates and in consequence should be used with reserve.

NATIVE CULTIVATION.

It is estimated that the total area of cultivated land

in native areas as at 31st July, 1930, amounted to 1806841 acres. To this figure should be added 248,439 acres of land cultivated by native squatters on European owned holdings - thus roughly the total area of land cultivated by natives within the Colony is therefore 1,854,280 acres.

At the risk of being tedious in constant reiteration of figures I wish, however, to give a few figures which may give an idea of the potential wealth of our native reserve even in their present poorly developed state.

In 1930 it was estimated that there were 286,310 acres under maize, which gave a yield of 1,387,104-200 lb. bags. There were under various millets 541,960 acres, which gave a total yield of 1,585,359-200 lb bags. There were 180,865 acres under root crops which gave 4,341,156 bags of 180 lbs each. There were 305,414 acres under pulse crops, which gave a total yield of 906333-200 lb bags.

Besides the above there were large acreages under sisim and cotton not to mention bananas, of which there were 50,731 acres in Kenya which produced approximately 8,466,030 bunches.

One interesting figure is afforded in the 1930 Census which was that no less than 176,398 acres of land were cultivated in the native reserves and remained fallow, or at any rate, nothing was sown for that year.

Turning from agriculture to live stock, the estimates of live stock indicate that there were in the neighbourhood of 4,965,963 cattle, 2996,827 sheep and well over 4,321,453 goats in native areas.

Having recited at considerable length the figures taken from officially published bank books I must add further figures which have been very kindly supplied by the Native Affairs Department which go far to show how difficult it is to collect accurate information and to prove how contradictory the figures at present obtainable appear to be. My own opinion is that there is an enormous wastage of the agricultural products grown in the native reserves especially in this borne out when such products are reduced into terms of sterling and I cannot help feeling that much of the cash value of such produce disappears as it passes through the hands of the small Indian Middleman.

Railway grown by natives in the Fort Hall District is as follows:

In 1927- 14,000 tons of maize and maize meal;
In 1928 - (which was an exceptionally bad year in this District)
4,859 tons of maize and 4,802 tons of Maize Meal were
booked from Diakions in this District.
In 1930- We can obtain a fairly detailed estimate of the value
of produce booked in this District alone, which was as follows:

Maize Meal	£ 5,448
Maize	5,805
Beans	8,364
Potatoes	20
Cattle Bark	8,922 and
Fruit and vegetables	941

a total booking in 1930 of produce valued at £ 32,701.

In 1931 however, further figures are available which are as
under:-

The total output of agricultural produce from the Kyambu
District alone after deducting the amount absorbed by the Reserve
itself is estimated at £ 84,000.

WHAT THE TRADER BUY.

The total value of the agricultural produce in the Fort Hall
District was estimated at £ 302,433, of which about £ 146,896
is consumed in the Reserve. The balance, therefore, for
transfer outside the Reserve should have been about £ 155,537
worth.

In the Southern Nyeri District it was estimated that the gross
value of the produce grown was approximately £ 342,837, of which
it is estimated that £ 169,430 worth would be consumed in the
Reserve. The balance therefore which should have been available
for export amounted to £ 179,397.

Thus in 1931 if you take the amount of surplus agricultural
produce which should have been available from three districts
alone, i.e., Kyambu, Fort Hall and South Nyeri, you will find
that the grand total should have been £ 416,935, so more was
produced in these three districts alone than was the total surplus
supposed to have been produced by the whole country in 1930. And
it should be noted that some of the richest areas such as
Kavirondo, etc., districts are entirely omitted.

THE COMMERCIAL BAIT.

In other words, I have quoted from three sets of figures
obtained from official sources which, however, in no way seem to
tally. Probably those collated by the Agricultural Department for

the purposes of the 1930 Census are the most accurate. At the same time a consideration of the figures given above will, I think, go a long way to substantiate the contention of the commercial community to the effect that some such Board as that suggested has now become a necessity. Were the ordinary man to start in the business of production the first thing he would go into would be "What do I produce and what happens to it"? At present, as far as I can see, with regard to native areas nobody knows what is produced nor do they know where a lot of the products go.

CHANGES OF REAPING.

As I said at the beginning coordinated efforts are being made in certain districts towards co-operative production and marketing of native produce. It is however held that many tribes have not yet reached the stage where such methods are feasible.

I would like to mention in this connection that there is at least one well known and highly reputable firm which is at present carrying on experiments on these lines. Certain native cooperative societies have got into touch with this firm and the societies themselves build godowns in certain districts and supply caretakers

The Native arrives with his parcel (mostly wattle) hands it in to the caretaker and obtains a receipt. On one fixed day a week or two days a week the firm in question send their representative round who takes the tickets from the Natives, weighs the produce and buys it, writing the details of the transaction on the back of the receipt. The Natives who are mostly Kikuyu and therefore further advanced than most tribes appear to like the system and although at present it hardly pays as out of the small commission chargeable heavy petrol expenses and wages have to be met it may lead to something bigger; but there again, if it is a success in the method a coordinated one should be tried throughout the country. That again would be a function of the Board.

USAGE OF PERMITS.

Also, great discrimination should be used as to whom permits are granted in connection with this kind of business.

At the end of a circular issued by the Native Affairs Department various suggestions are made for the benefit of District Officers who are responsible for the development of Native reserves

The list of remedies are interesting but go far to show that it is highly desirable not to have technical officers on any as Board tends to unduly complicate the issues.

All sections of the community are at one in their endeavor to improve the health and physique of the native population but the functions of the suggested Board should be strictly limited to commercial questions such as bulking and grading of native produce and the marketing of same to the advantage of the Native and the country as a whole and rendering assistance to the Native in the matter of the purchase of his requirements.

THE THIR EDGS.

In conclusion I beg to point out that in putting up resolution no.2 the Chamber of Commerce does not suggest formation of a costly Board. It fully realises under present conditions money for further expenditure of this nature is not available. It suggests that the Official members of the Board should attend in the ordinary nature of their duties, and members of the unofficial and commercial communities ~~xxxxxxxxxxxxxx~~ would have to do this work voluntarily. If at a later stage paid assistance becomes necessary it will be for the Board itself to put up proposals to Government.

RACIALISM PURSUED.

Referring to resolution No.3 reference has already been made to certain aspects in the foregoing memorandum.

It has long been considered by the commercial community that

- (1) there are far too many dukas in the native reserves
- (2) a very large proportion of the Trading licenses held are held by a type of individual who would far better be out of the native reserves.

BROADCAST BLANDER.

The Chamber of Commerce are aware that any application for a trading licence has to be made to the District Commissioner: they are further aware that the District Commissioner gives the matter full consideration. The trouble, however, is that District Commissioners change and no doubt have different ideas on this subject. Further more it is doubtful whether District Commissioners are always in a position to make sufficiently full enquiries into the antecedents of applicants.

The present system leads to a desperate out-throat competition from people whose standards of business morality are usually nil. This cannot be for the good of the country or of the native. The commercial community consider that without granting any monopolies licences should only be issued to applicants who are capable of keeping proper books, who have never been bankrupt and who are in a position to deposit a substantial bond as guarantee of their financial standing in return, for which they will be afforded an opportunity of making a reasonable profit by fair trading. Trading Licences should not be regarded merely as revenue producing. They should be used to protect natives and to keep undesirable trade out of the reserves.

In conclusion I would like to add that this very subject has on more than one occasion been discussed by the Indian community and they would give this last resolution their most whole-hearted support.

THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE & INDUSTRY
OF EASTERN AFRICA.

File No. 3.

Memo. No. 1

20th July 1932.

Trade Development in Native Areas.

The Federation of Indian Chambers of Commerce & Industry of Eastern Africa passed the following resolution at its session held at Kisumu on the 9th and 10th July 1932 on the subject of Trade Development in Native areas.

Resolution

*This Federation entirely disagrees with the Memorandum submitted by the Nairobi Chamber of Commerce to the Government of Kenya and Lord Moyne and by the Executive of the Association of Chambers to the Governors' Conference at Dar-es-Salaam on the question of trade development in Native areas.

That the Memorandum in question is inspired by racial prejudice and recommendations made therein are harmful to Indians and Native interests.

This Federation appoints a Committee of the following 16 persons to keep in touch with these questions. This Committee should report progress to the Working Committee of the Federation from time to time.

Members of Committee.

1. Mr. Bhagwanjithal (Nairobi)
2. Mr. Mansibhai Mohammed (Nairobi)
3. Mr. Salehmohammed (Nairobi)
4. Mr. Amritlal Meghji Lacha (Nairobi)
5. Mr. Gurdhadas (Nairobi)
6. Mr. Premchandlal (Thika)
7. Mr. Sidakhal (Fort Hall)
8. Mr. Dehyalal Raichand (Malvasha)
9. Mr. D. H. Manasvi (Gilgil)
10. Mr. A. Pritam (Kideret)
11. Mr. Mohamedbhai K. Lacha (Kisumu)
12. Mr. N. J. Dasa (Kisumu)
13. Mr. P. L. Pandya (Kisumu)
14. Mr. Hashem Ismail Lakhani (Kisumu)
15. Mr. Jannadas Jani (Kisumu)
16. Mr. Ramji Nathu.

That it be an instruction to the Working Committee to make representations to the Government of Kenya and generally to take any steps necessary to safeguard the interests of Indian Traders in Native Reserves.

The Federation of Indian Chambers of Commerce and Industry

representing the entire Indian Commercial interests of Kenya requests the Government of India to depute Kumar Maharaaj Singh to investigate and study the question of trade in Native Reserves affecting Indian traders and help the Federation in its presentation of the case to proper quarters.

That it be an instruction to the Working Committee to meet Kumar Maharaaj Singh at Mombasa and present to him the whole case in this matter."

This originated from a memorandum submitted by the Nairobi Chamber of Commerce to the Government of Kenya and to Lord Moyne and by the Association of Chambers of Commerce to the Governors Conference held at Dar-es-Salaam in April 1932. It would be obvious to any impartial observer that the memorandum above referred to is mainly drafted from a racially prejudiced point of view and introduces issues of political and racial character. Coming from an organisation like the Association of Chambers of Commerce it is likely to create certain impression and it is therefore necessary that it should be dealt with at some length.

As soon as it was circulated it created a great stir in the whole country and the important Chambers of Commerce, namely Mombasa, Kisumu and Jinja dissociated from and the Federation representing the entire Indian Commercial interests of Kenya is unanimous against the views expressed therein which are harmful to the Indian commercial interests.

The main idea developed in the memorandum under review is the appointment of a Licensing Board evidently for restriction of trading licenses in the Native Reserves but the purpose behind it has been revealed in the following paragraph :-

"It has happened that really large commercial firms of world wide reputation have endeavoured to commence operations or to make experiments in this country. The Government in their laudable desire to protect the Natives have been known to frame impossible conditions which ended in breaking off negotiations."

It will be observed from the above that the idea at the back of the proposal is to have a licensing Board who would interfere

with the Government's laudable desire to protect the Natives and it is meant for allowing particular concessions to particular interests and an attempt has been made to defend the Indian traders and to cast unworthy and untrue aspersions against their business morality and system of trading.

In this regard it would not be out of place to mention that various authorities have acknowledged with admiration the services rendered by the Indian traders in the development of this country. It would not be possible for prejudiced persons to take those services into consideration but there is no doubt that impartial authorities would not overlook that fact.

The Memorandum contains certain figures from the Agricultural Census Reports giving area under cultivation and the crops produced therein. It mentions that the export of Native produce went down from 1/5th of the total exports of agricultural produce in 1926 to about 1/8th in 1930. But it shirks the real issue of the decrease in the exports. It would be obvious to anyone who generally considers the question that the development of Native areas was not attended to with any progressive scheme of increased planting and production and the main expenditure for furtherance of agricultural development was undertaken in the settled areas.

Even now the proper census of native areas giving various details in regard to its production and productive capacity is not available. However the author of the memorandum further quotes figures of production of various crops by Native and comparing same with the figures of export of Native produce he arrives at the misleading conclusion that :-

"My own opinion is that there is enormous wastage of agricultural products grown in the Native Reserves especially in this borne out when such products are reduced into terms of sterling and I cannot help feeling that much of the cash value of such products disappears as it passes through the hands of the small Indian middlemen."

It seems the fact that the African population of over two millions in this country who feed on the crops produced by themselves has not been taken into consideration and when the inefficiency of

the methods in agriculture and want of support from the Government are taken into consideration there is nothing to be surprised at the smallness of Native production and its export figures. But instead of recognising this evident fact and suggesting ways and means for increase in native production it has been asserted that the cash value of such produce disappears as it passes through the hands of the small Indian middlemen. This generalisation is not supported by any facts, but it does mean that Indian traders are not paying a fair price to the Natives for their produce. Therefore it would not be out of place to give certain figures to show that the Natives are being paid a fair price.

For instance taking sisim, an Indian trader in Yala (Kavirondo District) pays today to a Native Shs. 3/24 for 36 lbs. For a jiala of 285 lbs. a Native gets from an Indian Shs. 25/-. After paying railway freight, packing charges etc., it costs the purchaser Shs. 31/25 at Mombasa and when sold to the exporter the price realised per jiala of 285 lbs. is Shs. 32/-. Hides is another produce that is purchased by Indians in Kavirondo District. The Native receives 15 cents per pound. After paying railway freight and other charges it costs the purchaser Shs. 6/30 per fraala at Mombasa and when sold to the exporter it realises about Shs. 7/25.

From the above figures it will be seen that the Natives are getting not only a fair deal but more than a fair deal from the Indian traders.

It has been further suggested that the Natives are being deprived of a fair value of their produce by the system of barter. Enquiries have been made in these directions and it has been found that so far as Kenya is concerned generally there is no system of barter in existence and even if there is any in remote places it is of no material consequence when the Native trade as a whole is taken into consideration. It would be evident that the memorandum gives no details in regard to the places where the system of barter is in existence and further the actual instances by which the Natives are supposed to have been deprived of a fair value. It is therefore not possible to deal with this question by giving definite facts against such imaginary ~~xxxxx~~ assertions but that any

Impartial person would see that such a statement can be of no value when not supported by facts.

In regard to the suggestion of having Licensing Boards and the reasons given in support thereof the following paragraphs from the presidential address of Mr. J.B. Pany delivered at the First Session of the Federation of Indian Chambers of Commerce and Industry of Eastern Africa held at Kisumu on the 9th and 10th July 1932 may be of interest:

"There are other who believe in a shortsighted policy of controlling this state of affairs by legislation or by increasing license fees and restrictions upon granting licenses. If legislation could solve trading difficulties the most advanced countries of the world would have solved them long ago and rid themselves of the menace of bankruptcies and unprofitable conditions of trade.

I am convinced that legislative interference would only harass the honest and hardworking type of trader and could not rid us of the type of people unfitted for commerce.

Therefore any interference in trade through legislation should be avoided. Those who advocate restrictions by law put up the argument that if men with capital and standing are alone allowed to trade the trading conditions can be altered. I would like to ask them whether big concerns are involved in overtrading and in creating conditions of forged sale and borrowing? If that be true and the fact is there what is the difference between ~~small~~ a small firm and the big firm? The big firm runs on longer, that is all. It must come to the same end. I am sure they would not be prepared to advocate cancelling the licenses of all big firms concerned in creating ruinous conditions of trade.

Then let us take the restrictions of licenses. Restricting a few shops in any one centre would not necessarily remove unhealthy competition. It would be the same thing whether ten or twenty traders in a given locality persist in a spirit of jealousy and competition. What we should get at is the mentality of traders and to evolve conditions under which the trader is less likely to indulge in overtrading. The primary condition for

curing the disease is the cash system of trading."
The accusations made in the memorandum against the Indian Traders are from a racially prejudiced point of view is clear from the following statements :-

- (a) There are too many dukas in the Native Reserves.
- (b) a very large proportion of the Trading Licenses are held by a type of individual who would far better be out of the Native Reserves.
- (c) Standard of business morality of these traders is usually nil.

If the purpose of the memorandum was improvement in marketing conditions in the Native Reserves there should have been some concrete proposals and workable suggestions put forward but instead of that it would be observed that it is made to serve the purpose of casting reflections against the most useful and the most hardworking section of the commercial community.

The libel against the business morality of the traders in the Reserves is not supported by any facts. Standard of business morality is not confined to anyone race. Many instances of business morality of other than those who are trading in Native Reserves can be quoted but it is not necessary for the purpose in view. Attention has been drawn to these details because of the necessity to prove the misleading character of the memorandum in question.

The Federation has appointed a sub-committee of prominent traders who have interests in the Native Reserves as mentioned in the resolution quoted above. They have practical and personal experience of the issues involved and they would be in close touch with development of this question. It is generally felt that to talk of improvement in marketing conditions in Native Reserves at the present moment when the production is so low is to put the cart before the horse. The first necessity is to organise intensive production of Native crops and as the necessity arises change the marketing conditions to deal with these crops. It would be clear that unless the production reaches some figure of importance the system of buying centres for produce and overhead charges for such a system could not be considered a fair business proposition. The present method admirably serves the purpose and if any improvement is desired by the Government the Federation will be prepared to co-operate in evolving better conditions in Native interests.

File
90
54

C. O.

Mr. *H. D.* 16-8-32
Mr. *Fraser* 17/1
Mr.

Mr. Parkinson.
Mr. Tomlinson.

Sir C. Bottomley.
Sir J. Shuckburgh.
Parlt. U.S. of S.
Parly. U.S. of S.
Secretary of State.

12

C. O.
H
D

16 AUG 1932

DRAFT.

A. Ditt in Esq.

India Office

Dear D. G. Sir,
With reference to your
letter of the 9th August enclosing
a copy of a telegram from the
Indian Dept. of Education,
Health & Lands regarding
the contemplated introduction
in Kenya of legislation
relating to Trade Licences.

I write to let you know
that the whole question
of marketing in the native
reserves is under consideration of
the Colonial Govt., and
although it may be that
legislation may be proposed
in respect of Trades Licences
we have no definite indication
that this will be so.

Yours sincerely

(Signed) L. B. FREESTON

4

M. J. S.

9.8.32

Dear Freestone,

I enclose advance copy of a telegram just in from India from which it appears that they greatly desire the text of a Bill now in contemplation in Kenya.

Could you supply me with copy of the text? With a space for India if convenient. It should be most useful.

Yours sincerely

A. DIBDIN

(DIBDIN)

Amsd 19 8 32

FRB/JGS/AV.

(64 words)

4241.

DECODE OF TELEGRAM.

(COPIES
CIRCULATED)

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

Dated Simla, 9th August, 1932.

Received 9th August, 1932, 3.15 p.m.

R-338/32 Lands (sic & Lands). Government of India
have received representations from Federation of Indian Chambers
of Commerce and Industry of Eastern Africa regarding
legislation which is understood to be contemplated in Kenya on
lines of Tanganyika Trading Licences (Amendment) Ordinance. Copy
will be sent by next air mail. Until we see text of proposed
measure(s) we are unable to express any views. Generally
speaking, however, comments made in concluding portion of our
telegram dated March 18th, 1932, No. 281 O. S., regarding Tanganyika
Ordinance would appear to apply generally to other territory in
East Africa where Indian traders have large vested interests,
and have succeeded in promoting trade in Native Areas. We would
be grateful, if copy of the Bill could be furnished, or if there
is not time, important provisions of it telegraphed, and
opportunity given to us to make such representations, if any, as
we may consider necessary in the interests of the Indian
community, before legislation is enacted.

TANGANYIKA TERRITORY.



No. 4 of 1932.

I ASSENT

G. S. SYMES,
Governor.

10TH FEBRUARY, 1932.

An Ordinance to amend the Trades Licensing Ordinance,

[12TH FEBRUARY, 1932].

ENACTED by the Governor of Tanganyika with the advice and consent of the Legislative Council thereof.

1. This Ordinance may be cited as the Trades Licensing ^{Short title.} (Amendment) Ordinance, 1932, and shall be read as one with the Trades Licensing Ordinance hereinafter referred to as the principal Ordinance.

2. The following heading shall be inserted in the ^{Amendment of Cap. 64} principal Ordinance immediately after section 2:—

“PART I.
TRADING LICENCES.”

3. Section 6(1) of the principal Ordinance is hereby ^{Amendment of section 6 of Cap. 64} amended by the addition thereto of the following paragraph:—

“(k) A special and additional licence to purchase specified native produce, referred to in section 16(b) hereof, for the purpose of re-sale within the Territory ... Shs. 10/-.”

4. The following headings and sections shall be inserted ^{Addition of new sections.} in the principal Ordinance immediately after section 13 thereof:—

"PART II.

THE CONTROL AND REGULATION OF THE MARKET-
ING OF NATIVE PRODUCE.Interpre-
tation.

14. In this part of this Ordinance—
"native produce" means any of the following
crops or commodities produced and offered for
sale in the Territory, namely:—

Beeswax, castor-seed, coconuts, copra,
ghee, groundnuts, gum arabic, hides and
skins, millet, rice, sesame and leaf tobacco.

"specified native produce" means any native
produce specified in any order made under
section 15.

Power of
Governor to
declare areas
in which the
purchase
of native
produce may
be controlled
and
regulated.

15. In the event of the Governor being satisfied
that the cultivation and marketing of native
produce is likely to be advanced and improved and
the interests of the inhabitants generally promoted
thereby it shall be lawful for him by order
to declare any district or part of a district (herein-
after referred to as "the declared area") to be an
area within which the purchase and sale of native
produce, which the Governor is hereby authorised
to specify in the same or some subsequent order,
shall be controlled and regulated.

Restrictions
on the issue
of trading
licences in
declared
areas.

16. Upon any such order being made the follow-
ing provisions shall apply:—

(a) The licensing authority may, with the
approval of the provincial commissioner,
restrict generally the number of trading
licences of any particular class which may
thereafter be granted in the declared area and
prescribe conditions subject to or upon which
such licences may be granted. The conditions
prescribed shall be endorsed on the licence
and the power to prescribe conditions shall
include a power to restrict or prohibit the
purchase by the licensee of any specified
native produce.

(b) The licensing authority may, with the like
approval, grant to the holder of any trading
licence an additional and special licence to
purchase specified native produce in any
declared area or part thereof and prescribe
conditions subject to or upon which such

Governor
in Council
may grant
exclusive
licences.

licence may be granted. The conditions pre-
scribed shall be endorsed on the licence.

17.--(1) Where the Governor in Council is
satisfied that the production of any particular
kind of specified native produce in any declared
area or part thereof is susceptible of develop-
ment or would be stimulated and advanced
under technical direction and management or other
special control, it shall be lawful for the Governor
in Council to grant in respect of such declared
area or any part thereof an exclusive trading
licence for the purchase of that particular kind
of specified native produce:

Provided that no such licence shall be granted
before the expiration of a period of not less than
three months following the publication in the
Gazette of a notice declaring the intention of the
Governor in Council to grant such licence. Every
such notice shall specify the date on or before
which application for the grant of such licence
may be made.

(2) Every person desiring to apply for the grant
of any such licence shall submit to the provincial
commissioner an application with all such particu-
lars as may be required on or before the date in
such notice specified. All such applications when
received shall be transmitted to the Chief
Secretary for the consideration of the Governor
in Council.

Governor
in Council
may prescribe
conditions
upon which
exclusive
licences may
be granted.

18.--(1) It shall be lawful for the Governor in
Council to select such applicant as he may think
fit and grant to him, for such period and subject to
such conditions and the payment in each case of
such fees (if any) as he may prescribe, an
exclusive trading licence as in manner herein-
before provided.

(2) The grant of any licence under this section
shall be subject to the absolute discretion of the
Governor in Council.

(3) Notice of the grant of any such licence shall
thereafter be published in the *Gazette* and in the
manner prescribed in section 23 hereof.

(4) When any such licence has been granted,
so long as such licence shall be valid and subsist-
ing, no special trading licence may be granted

under section 16 (b) in respect of the same kind of produce in the same area.

Power to Governor in Council to revoke or suspend exclusive licence.

19. The Governor in Council may suspend or revoke any exclusive trading licence granted by him if it appears to him, after giving the holder thereof an opportunity of being heard before the provincial commissioner, that he has been guilty of any offence under this Ordinance or any breach of the conditions subject to or upon which such licence has been granted.

Power to prescribe conditions as to purchases for cash.

20. The power to prescribe conditions subject to or upon which any special or exclusive trading licence may be granted shall include a power to require that all purchases of specified native produce in a declared area shall be paid for in cash.

Provisions of section 3(b) not to apply to special or exclusive licences.

21. The provisions of section 3 (3) shall not apply so as to permit the holder of any other trading licence to purchase in the declared area any specified native produce for the purchase of which any special or exclusive trading licence has been granted.

Effect of special or exclusive licence.

22. Every special or exclusive trading licence shall confer on the holder thereof so long as such licence shall be valid and subsisting the sole right to purchase in the declared area or part thereof in respect of which it has been granted specified native produce mentioned in such licence.

Publication of notice of grant of special or exclusive licence.

23. The licensing authority shall in every case publish notice of any special trading licence granted by him and any exclusive trading licence granted by the Governor in Council. Such notice shall be affixed on the notice board of the district office and shall be published in such other manner as the licensing authority may determine as being in his opinion sufficient for giving information to all persons interested, and the date of publication thereof shall be deemed to be the date on which the notice was affixed on such notice board as aforesaid.

Penalty for infringement of special or exclusive licence.

24. On the expiration of fourteen days from the date of publication of the notice of the grant of any special or exclusive trading licence it shall, so long as such licence shall be valid and subsisting,

be unlawful for any person, other than the holder thereof or his agents and servants, to purchase in the declared area or part thereof in respect of which such licence has been granted any specified native produce, the sole right to purchase which has been conferred by such licence, and any person contravening the provisions of this section shall be liable to a fine not exceeding five hundred shillings and all specified native produce so purchased by him and found in his possession shall be liable to forfeiture.

Power to provincial commissioner to require purchase of native produce to be paid for in cash.

25. The provincial commissioner of any province in which any declared area is situate may by notice published in the manner provided in section 23 order that in such declared area or any part thereof all purchases of native produce or any particular kind of native produce shall, for such period not exceeding twelve months as he shall in such notice define, be paid for in cash, and any person who purchases any such native produce in such declared area or part thereof otherwise than for cash shall be guilty of an offence against this Ordinance.

Provided that no such order shall have effect until the expiration of three months from the date of publication of such notice.

Power to refuse or revoke a licence in respect of a declared area.

26—(1) A licensing authority may, in respect of any declared area, without assigning a reason refuse to grant or renew, or may at any time revoke a licence under this Ordinance other than an exclusive trading licence granted under section 18. Such refusal or revocation shall be subject to appeal to the Governor.

(2) If a licence is revoked under this section a proportionate part of the fee paid shall be refunded.

Appeal with respect to licence.

27. If a complaint is made to the Governor that a licensing authority has

- (a) without reasonable cause refused to grant a licence, or
- (b) prescribed conditions on the granting of a licence which he has no power to prescribe or which are unreasonable, or

(c) without reasonable cause revoked or refused to renew a licence; or
(d) improperly exercised any of his powers under this Ordinance with respect to the matters above-mentioned in this section, the Governor shall consider the complaint and, if he is of the opinion that the complaint is in any respect well founded, shall make such order as he thinks fit for the purpose of redressing the matter complained of.

PART III.

GENERAL PENALTIES AND RULES.

General penalties.

28. Every omission or neglect to comply with and every act done contrary to the provisions of this Ordinance or in breach of the conditions and restrictions subject to or upon which any licence has been issued or granted shall be deemed to be an offence against this Ordinance and for every such offence not otherwise specially provided for the offender shall be liable to a fine not exceeding five hundred shillings.

Rules.

29. The Governor in Council may make rules prescribing the forms to be used and the duties of administrative officers and licensing authorities, under the provisions of this Ordinance."

Repeal of section 14 of Cap. 64.

5. Section 14 of the principal Ordinance is hereby repealed.

Passed in the Legislative Council on the fifth day of February, 1932.

G. F. SAYERS,
Clerk of the Legislative Council.

- (c) without reasonable cause revoked or refused to renew a licence; or
- (d) improperly exercised any of his powers under this Ordinance with respect to the matters above-mentioned in this section, the Governor shall consider the complaint and, if he is of the opinion that the complaint is in any respect well founded, shall make such order as he thinks fit for the purpose of redressing the matter complained of.

PART III.

GENERAL PENALTIES AND RULES.

General penalties.

28. Every omission or neglect to comply with and every act done contrary to the provisions of this Ordinance or in breach of the conditions and restrictions subject to or upon which any licence has been issued or granted shall be deemed to be an offence against this Ordinance and for every such offence not otherwise specially provided for the offender shall be liable to a fine not exceeding five hundred shillings.

Rules.

29. The Governor in Council may make rules prescribing the forms to be used and the duties of administrative officers and licensing authorities, under the provisions of this Ordinance."

Repeal of section 14 of Cap. 61.

5. Section 14 of the principal Ordinance is hereby repealed.

Passed in the Legislative Council on the fifth day of February, 1932.

G. F. SAYERS,
Clerk of the Legislative Council.

KENYA.

No. 294



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

18th June 1932.

RECEIVED
18 JUL 1932
COL. OFFICE

Arrived 5748 C/3 27 JUL 1932

Sir,

I have the honour to forward herewith two authenticated and 12 printed copies of an Ordinance intituled "The Traders Licensing (Amendment) Ordinance, 1932" which duly passed its third reading in the Legislative Council on the 5th May 1932, and to which I assented in His Majesty's name on the 26th May 1932, together with a copy of the Legal Report by the Attorney General.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL.

GOVERNOR.

THE RIGHT HONOURABLE
MAJOR SIR PHILIP CUNLIFFE-LESTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W. 1.


THE TRADERS LICENSING (AMENDMENT) BILL, 1932.

Under the provisions of the Traders Licensing Ordinance, a fee of £15 per annum is charged for a trading licence for a store, except that where the value of goods on hand at such store at any one time during the year preceding the date of the taking out of a licence has not exceeded £150, a fee of £1.10.0 only is payable in respect of a trading licence for a store in a township or a fee of Shs.10/- in places other than townships or trading centres. Power is also vested in Licensing Officers to remit the whole or any part of the fee of £1.10.0 and Shs.10/- respectively where it is considered that the charging of these fees would prove a serious check to desirable trade. So it will be seen that there is power to remit the whole or part of either of these what may be called reduced fees. But there is no power vested in Licensing Officers or any body else to remit the whole or any part of the fee of £15 per annum which is charged for a trading licence for a store, and it has been pointed out to Government that the absence of any power of remission in regard to the £15 fee is proving a serious check to very desirable and indeed, essential trade in some parts of the Colony, notably the Northern Frontier and Turkana Provinces. It is a fact that climatic conditions and transport difficulties in those Provinces compel traders to carry stocks of goods far in excess of their actual trade requirements at any one time, and by carrying such big stocks they render themselves liable to the full licence fee of £15. In these circumstances, it is considered desirable that a power of remission of the

whole or part of this fee should be allowed, and this Bill gives such power of remission to Provincial Commissioners. This power of remission will only be exercised in proper cases. It is hoped and believed that this Bill, if it becomes law, will not involve Government in any loss of revenue, since it is expected that traders will be encouraged to open shops who would not do so if they had to pay the full licence fee of £15 per annum.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

Nairobi,
5th May, 1932.


ACTING ATTORNEY GENERAL.



Colony and Protectorate of Kenya.

IN THE TWENTY-THIRD YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.
JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.,
Governor.

Assented to in His Majesty's
name this 26th day of May, 1932.

J. BYRNE.

Governor.

**AN ORDINANCE TO AMEND THE TRADERS
LICENSING ORDINANCE**

No. I of 1932.

An Ordinance to Amend the Traders Licensing Ordinance.

ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited, as "the Traders Licensing (Amendment) Ordinance, 1932" and shall be read as one with the Traders Licensing Ordinance (Chapter 56 of the Revised Edition), hereinafter referred to as "the Principal Ordinance." Short title.

2. Schedule I to the Principal Ordinance is hereby amended and shall be read as if the following words were added after the words "in any case" which occur in the seventeenth line thereof:— Amendment to Schedule I of the Principal Ordinance.

"If it is considered that the charging of the fee for any licence taken out under (1) will prove a serious check to desirable trade the whole or any part of such fee may be remitted in any particular case by the Provincial Commissioner of the Province in which the licence is taken out."

Passed in the Legislative Council the fifth day of May in the year of Our Lord one thousand nine hundred and thirty-two.

This printed impression has been carefully compared by me with the Bill which passed the Legislative Council and is presented for authentication and assent as a true and correct copy of the said Bill.

H. E. BADER

Acting Clerk of the Legislative Council.

COLONY AND PROTECTORATE OF KENYA



REPORT OF SELECT COMMITTEE OF
LEGISLATIVE COUNCIL APPOINTED
TO CONSIDER AND REPORT ON THE
PROVISIONS OF A BILL TO AMEND
THE TRADERS LICENSING
ORDINANCE

Report of Select Committee of Legislative Council
appointed to Consider and Report on the Provisions
of a Bill to amend the Traders Licensing Ordinance

YOUR EXCELLENCY,

We, the members of the Select Committee appointed by Your Excellency to consider and report on the provisions of a Bill to amend the Traders Licensing Ordinance (Chapter 58 of the Revised Edition), have the honour to report as follows:—

2. We held two meetings, one on the 30th January and one on the 31st March, 1932. At the first meeting we took evidence from representatives of the insurance companies and of the three principal banks in the Colony.

3. From the evidence given by the representatives of the banks and the insurance companies, the Committee formed the opinion that the scope of the Bill, as it stood, was not nearly wide enough, and that, if a Bill taxing banks and insurance companies were to be passed at all, the scope of the Bill would have to be greatly enlarged. In regard to insurance companies it was felt that the incidence of a flat rate licence fee irrespective of the class or classes of business conducted would bear somewhat hardly on the smaller companies, and that any such licence fee should be a graduated one governed by the amount of business done. As regards the banks, the Committee took the view that the imposition of a heavy licence fee on the banks would be inequitable unless those, who do a considerable amount of exchange business and indulge in other banking activities, were brought within the scope of the Bill. On examination objections were found to the imposition of a licence fee on banks and insurance companies under an amendment to the Traders Licensing Ordinance. For that reason, also in view of the wider scope which the Committee considered necessary, if effect was to be given to the above expressed views, it was considered that the matter should be dealt within an entirely separate Bill.

4. A new Bill was, therefore, drafted by the Chairman, and was submitted to the Committee at a meeting on the 31st March.

5. After prolonged discussion it was felt that it was no part of the Committee's duty to frame a new Bill especially in view of the fact that Government might, in view of changed circumstances and after receiving the Report of the Select Committee on the Professional Licences Bill, not wish to proceed with the proposed taxation of banks and insurance companies.

6. The Committee have decided, therefore, to recommend to Your Excellency that the Bill as submitted to Legislative Council be not proceeded with, and that it be left to Government to consider the question of introducing a Bill dealing with the imposition of a graduated licence fee on insurance companies and banks, and embracing activities and persons not covered in the amending Bill under review.

We have the honour to be,

Your Excellency's most obedient servants.

T. D. H. BRUCE.

Chairman.

ALEX. HOLM,

C. O. GILBERT.

H. E. SCHWARTZ.

H. F. WARD,

F. A. BEMISTER.

Nairobi,

22nd April, 1932.

File 18194/32

GOVERNMENT NOTICE No. 250.

His Excellency the Governor in Council has approved of the following Bill being introduced into the Legislative Council:

H. E. BADER.

Acting Clerk of the Legislative Council.

A Bill to Amend the Traders Licensing Ordinance.

BE IT ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as "the Traders Licensing (Amendment) Ordinance, 1932" and shall be read as one with the Traders Licensing Ordinance (Chapter 58 of the Revised Edition), hereinafter referred to as "the Principal Ordinance." Short title.

2. Schedule I to the Principal Ordinance is hereby amended and shall be read as if the following words were added after the words "in any case" which occur in the seventeenth line thereof:— Amendment to Schedule I of the Principal Ordinance.

"If it is considered that the charging of the fee for any licence taken out under (1) will prove a serious check to desirable trade the whole or any part of such fee may be remitted in any particular case by the Provincial Commissioner of the Province in which the licence is taken out."

In taking out a licence under (a) or (b) hereof the owner or manager of each such store shall make a sworn declaration before the licensing officer that the value of goods on hand in each such store during the year preceding that for which the licence is taken out has not exceeded one hundred and fifty pounds at any one time.

When a trading licence is applied for by a person who has no available record of the value of goods on hand during the year preceding such application, or by a person who has not carried on business during the year preceding such application, he shall furnish an estimate of the maximum value of goods which he anticipates will be on hand at any one time during the period in respect of which the licence is applied for and shall pay for such period the licence fee indicated in the scale given above in accordance thereto, and if the actual value of his goods during such period has exceeded the said estimate at any one time he shall pay any balance which may be found due and unless and until such sum is paid he shall not be granted a further licence under this Ordinance.

(1) For a commercial traveller's licence	£15 per annum.
(2) For a hawker's licence	10s. per month.
(4) On transfer of a trading licence	10s.
(5) For a duplicate licence	4s.

OBJECTS AND REASONS.

Under the Principal Ordinance a fee of £15 per annum is charged for a trading licence for a store, except that where the value of goods on hand at such store at any one time during the year preceding the date of the taking out of a licence has not exceeded £150, the following fees are payable:—

- (a) In a township or trading centre £1 10s. per annum.
- (b) Elsewhere Sh. 10 per annum.

Power is also vested in Licensing Officers to remit the whole or part of the fee in the case of (a) and (b) above where it is considered that the charging of these fees would prove a serious check to desirable trade.

2. It has been pointed out to Government that the absence of any power of remission in regard to the £15 licence fee is proving a serious check to desirable and indeed essential trade in the Northern Frontier and Turkana Provinces. Climatic conditions and transport difficulties in those Provinces compel traders to carry stocks of goods far in excess of their actual trade requirements and they thus render themselves liable to the full licence fee of £15.

3. It is considered desirable that a power of remission of the whole or part of this fee should be allowed. It is proposed to limit this power of remission to Provincial Commissioners, and this Bill makes the necessary amendment.

4. It is not believed that this Bill if it becomes law will involve Government in any loss of revenue, for it is anticipated that traders will thereby be encouraged to open shops who would be deterred from doing so if they had to pay the full £15 per annum.

Section 2 of the Principal Ordinance, which it is proposed to amend —

Interpretation 2 In this Ordinance, unless the context otherwise requires —

“co-operative society” means a society or association of producers of agricultural products, including combinations of such societies or associations, and societies or associations subsidiary thereto, engaged in the co-operative marketing of agricultural products, including processing, warehousing, manufacturing and storage, or in the co-operative purchasing of farm supplies, or live stock, or in credit, financing, insurance or other co-operative activities.

“Registrar” means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Ordinance;

“registered society” means a society registered under this Ordinance;

“farm supplies” means goods essential to the production or marketing of farm produce, including live stock and live-stock products.