

1933

1933

3246

KENYA

3246

CO 533/437

Correspondence & discussions with Lord Francis Scott.

Previous

Subsequent

Receipt	20/7
Sp. Hunter	20/7
St. Hood	20/7
R. 297	21/7
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R. 297	21/7

9978

1. Lord Francis Scott ————— 23 June 33
Lamches views on various matters for consideration
a discussion.

2. To Lord Francis Scott — 1 answer — 26 June 33
Lord Plymouth.

3^x This is a note which I made
of what was said at our interview
with Lord Francis Scott. If you
agree with it, perhaps you would
mark up to Sec of State so that
he can see!

g.H.6

3.7.33

I. of these
I'm with like to see.
There are one or two addi-
tional points that I did not
mention in my communication
to-day.

J.
3.7.33.

A very satisfactory talk; as
you have put my point admirably.

L. Lamches
(L. Lamches name)
4/7/33

1002
4/7.

Re. Plot

Extracts have been placed on the relevant files & are being sent on separate.

? This may be put by (Sir C. B. B. to see. on return)

[Signature]
20/7.

Yes.

[Signature]
20/7

See.

M. C. N. Lewis is special director of Barclays Overseas Bank, & it is ~~an~~ conservative in its policy of advances. ~~He~~ ~~has~~ ~~understand~~ ~~the~~ ~~matter~~ ~~of~~ ~~his~~ ~~fin~~ ~~ance~~ ~~he~~ ~~was~~ ~~in~~ ~~de~~ ~~cl~~ ~~ined~~, ~~when~~ ~~I~~ ~~saw~~ ~~him~~, ~~to~~ ~~say~~ ~~that~~ ~~the~~ ~~other~~ ~~banks~~ ~~would~~ ~~give~~ ~~better~~ ~~in~~ ~~for~~ ~~mation~~.

[Signature] 28.8.33

Recie. on Sir S. Wilson's return
to see the memo. *[Signature]*

[Signature] 28.8.33

[Signature]
No Ho's case.

Recie. vide minute above.

[Signature] 28.8.33

Secretary of State

Sir C. B. B. *[Signature]*

To your information *[Signature]*
Wed. 23.8.33

In accordance with Sir S. Wilson's memorandum on 3246 I wrote to Mr. Lewis asking him to see me when he returned to London, and he called this morning.

As to banks foreclosing. Mr. Lewis said that there was no prospect of this as the banks were not anxious to have farms on their hands. Of course it was impossible to give any undertaking not to foreclose and so take away any incentive to real industry on the part of the farmer. Mr. Lewis pointed out, however, that if better times came and land values improved and a farmer sold his land, the mortgagee would necessarily have to recoup himself out of the selling price ~~so that~~ ^{and} little might be left for the farmer. Also in such circumstances the sale might improve the value of neighbouring mortgaged lands, in which case the mortgagee would be justified in putting the screw on the owners of those farms.

As regards the general position:

1. There were a great many farmers, particularly the maize farmers, who would not be able to keep going. Quite apart from their mortgage interest they would not be able to keep themselves alive without additional help. [It is no doubt because of this that there is such a strong tendency to seek to divert Land Bank money to agricultural credit purposes.]

Coffee was not in so bad a position. The man who established coffee could (apart from accidents of drought, etc.) find a respectable margin at present prices. The same applied to tea, but there were cases where help was needed. Mr. Lewis mentioned a man who had put £15,000 of his own money into tea and then made satisfactory arrangements for marketing

with

See B. B. B. to see 3/7

Recie. on Sir S. Wilson's return
to see the memo. *[Signature]*

* Assuming throughout, that there is no recovery in commodity prices.

with a big Company, but was hard put to it to provide a factory. The Banks were perfectly ready to finance his annual operations but long term loans are outside their scope. I said that I thought that this was exactly the sort of case where the increased capital of the Land Bank might be used.

As regards "mixed" farmers the good ones are not doing too badly, but there are a great many amateurs who may not be able to carry on.

Sisal has benefited by the recovery of prices and there is no company which should not be able to keep itself going.

W.C.B.
22.8.33.

P.V.Z.
26/8

3149/33
3007/33.
3078/33
3255/33
3256/33
3198/33.

NOTE BY SIR S. WILSON ON INTERVIEW WITH

LORD FRANCIS SCOTT.

Lord Plymouth saw Sir Francis Scott this morning and I was present.

Lord Francis Scott first of all raised the question of the Land Bank. He knew that £60,000 had been approved and that steps were being taken to raise a loan of £300,000, but he pointed out that he thought another half million would be necessary. I read to him part of the letter which was drafted for me just about the time of his operation; but I never sent it owing to his illness. In this letter it is pointed out to him that there would be very little chance of getting the Treasury to agree to increase the loan to as much as £750,000 for this purpose, in view of the present financial position of Kenya.

The next point discussed was the question of the possibility of the Banks agreeing to give some sort of moratorium on loans, overdrafts, etc. Lord Plymouth pointed out that there was, so far as we could see, no chance whatever of being able to arrange this. Whereon the conversation turned to the question of what chance there was of the Banks foreclosing. Lord Francis Scott said that a well-known Banker, Mr. C. N. Lewis, would shortly be in London, and I agreed that I, or someone else in the Office, would arrange to see him and hear his views on the financial position in Kenya generally.

The proposal of Lord Francis Scott to substitute a Police Force for the K.A.R. was next discussed. I explained

3256/33

explained to Lord Francis Scott the objections which had been raised by the O.D.C. when this matter was last brought before them and that I thought there was very little chance of the Service Departments changing their minds. Lord Francis Scott said that he had heard that a young officer of the K.A.R. had told someone that the Force was quite inefficient and was so bad that some of the units had to be disarmed at night. I pointed out to him that I could not believe that there was any truth in this, and I promised to arrange for him to have a talk with Brigadier Norman generally on his proposals. Lord Francis asked me if we had yet appointed a successor to Colonel Wilkinson. I said that the matter had not, so far as I could remember, come up to me. He asked if there was any chance of Lieut. Colonel Mirhead being appointed, as it was generally thought he would be suitable.

3198/33
26/11

It was pointed out to Lord Francis Scott that the Secretary of State in his despatch to Kenya had specifically stated that it should no longer be necessary for the natives to be represented by a Missionary on the Legislative Council. Lord Francis Scott said that it was still the law of the land that they should be and that nothing had been done.

3007/33

It was explained to Lord Francis Scott that the petition from the Afro-Asian Association which he had given to Lord Passfield, had been sent to the Governor of Kenya, and that it was incorrect to say that no action had been taken. As a matter of fact the matter had

recently

6

recently been under the consideration of the Conference of Law Officers in East Africa.

3198/43

Lord Francis Scott raised the question of the Unofficial element in Kenya having more say in financial control. Lord Plymouth explained to him the Secretary of State's attitude, and pointed out that Sir Philip was not prepared to depart from the recommendations of the Joint Committee on East Africa, which had received the unanimous approval of the House of Commons. Lord Francis Scott said that he was not personally going to press the Secretary of State on this point, as he fully realised Sir Philip's position. He reminded us, however, that a Conference in East Africa was at the moment considering the question and he (Lord Francis) had suggested to the Conference that instead of making impossible demands they should put up a fully considered case giving their arguments why some concession should be made to them in this respect. He added that it was quite possible that the more extreme elements might make unreasonable demands, and if they did this he would have to consider seriously on his return whether he should not split up the party and form a new constitutional party of his own.

In connection with the Secretary of State's decision that he would not depart in any way from the recommendations of the Select Committee, Lord Francis Scott asked if we had not already done so in adopting Lord Moyne's recommendation for the setting up of a Native Betterment Fund.

During

During the course of this discussion Lord Francis Scott expressed the view that the future of Kenya was dependent on further white settlement and the consequent strengthening of the position of the white settler. In existing circumstances he said it was all "bunkum" that anyone should talk about self-government.

J. H. W.

1.7.33

Mr. ~~Reynolds~~

? You will
want to hear
this.

Yours
24/6/55

Extracting doc 3198/53 Konja

In Director 29
I have sent you
also to Mr. Wilson
Edw
1/1

Confidential

26th June 1933.

My dear Scott,

Many thanks for your letter. In the ordinary course I should have wished to have a full talk with you at once. As it is, the Economic Conference makes that impossible. I am engaged there from ten in the morning until half past six or seven at night. I am in charge of one of the most important sections of the work - that dealing with the whole question of raising price levels by co-ordination of production and marketing. The Conference is working on detailed proposals of my own, and I find I cannot be away even for the shortest time from the meetings of the main Economic Commission and the Sub-Committees. This looks like going on for some weeks. I think it is very important that you should have a full talk at once with Plymouth and Wilson, who are fully seized of my views and of the whole position, and I am asking

asking them to arrange this with you as soon as possible.

I have already discussed with you the constitutional position, and I told you frankly that it would be quite impossible for me or any other Minister in any Government to reverse the findings of the Joint Select Committee on which the views of His Majesty's Government were given in my published despatch, and you will have seen the definite answer which I was bound to give in the House as soon as the question was raised in that form.

Extract
reg'd on
3198/33

Yours sincerely,

(Sgd.) P. CUNLIFFE-LISTER.

Extracts on 3078/33
3255/33
3256/33
3198/33

COPY.

PRIVATE.

3007/33
3198/33 Kenya
4240/33
EA

HYDON END,
HAMBLETON,
GOSALMING, Surrey.
23rd June 1933.

Dear Cunliffe-Lister,

I am writing this line about various matters which I think are worth consideration, especially as Sir J. Byrnes will soon be home, and presumably you will be seeing him.

I expect you know that on the top of all our past troubles Kenya has been afflicted by a very bad drought, the worst since 1913. My last mail told me that it meant a loss in coffee alone of half a million sterling, whilst in the part of the country where I live, they have had none at all, and so our crops are non-existent. As you can well imagine, this, on the top of the past bad years due to low world prices and locusts, will just about finish off the poor farmers. I know you are anxious to help them, and therefore hope very much that you will be able to get us more money for the Lend Lease, which may help to save many farmers.

If this drought had the effect of finishing off the locusts and greatly decreasing native stock in the reserves, it may be of some use in the long run, but the immediate future is bound to be a very serious one. As a suggestion, would it be possible to induce the Banks to give some sort of moratorium on loans, overdrafts and mortgages? It may very likely be impossible, but if the Banks insist on repayment it must mean their being landed with half the farms in the country, which I presume they cannot wish for.

Answered 26 June 33

Extracts on 3078/33

3255/33

The

The basic cause of our present financial depression has been the low world price of commodities. As all the nations of the world are now trying to find some method by which these may be raised, we should not be unduly optimistic if we presume that an improvement in this way will take place in the not too distant future, and so it does seem important that everything possible should be done to try and help tide the farmers over the immediate future.

With this view I am sure ~~xx~~ you are in sympathy, but the best method is, of course, the difficult question. All I want to do is to emphasise how serious the position is. I think many people do not realise what wide repercussions the success or failure of the British farmers has on all other activities in the Colony, and especially on the Natives. Normally £2,000,000 is distributed in a year in the way of native wages, and if this is seriously diminished, as of course it is when the farmers are losing money, the native population not only can purchase much less, but find it difficult to pay their taxes. This was well illustrated last year, when their returns to revenue were the lowest for ten years.

There is one matter where possibly you could take action now. That is the question of the contingent liability on the Colony for the building of the original Uganda Railway. As you know, this Railway was originally built for political purposes by the Imperial Government, when they undertook the government of Uganda. When Harcourt was Liberal Secretary of State for the Colonies

he did say the Colony would never be called on to pay, but apparently his statement was not accepted as final, as the last decision was that the matter should be decided in 1934. Now when we have a National Government including all parties, when the policy is encouragement of the Empire in every way possible, and the general view seems to be in favour as far as possible of cancelling old long-standing debts, it does seem a favourable moment to have the matter settled, and leave us free of this contingent liability for something over which we ~~xxxx~~ had no control at the time. I should have thought the Imperial Government would have to wipe this out sooner or later, and so why should not you gain the merit for getting it done now?

Another matter which has exercised me considerably, and which I would like to bring to your attention, is that of the Defence of Kenya, and the cost thereof. I am not at all happy about it, and believe we could make considerable economies with increased efficiency. Please believe that at heart I am more of a soldier than a politician, and at first I was inclined to oppose the proposals I am now going to put up, due, I confess, to a certain military prejudice.

3256/53

At present we have a small number of troops in the K.A.R. who cost a very great deal of money per head. I am not at all happy from what I have heard from K.A.R. officers about the efficiency of these troops, and I am quite sure we have of late had the wrong type of men in command. At the same time, there is considerable overlapping in the Frontier Provinces between civil administration, the police, and the military. I have come firmly to the opinion that we should do far better if we scrapped the K.A.R. and had Military Police in their stead.

stead. The native rank and file would be practically the same in both cases, and even now the police askaris are just about as smart and efficient as the K.A.R. askaris. In Spicer's time I think they were even more so.

I should have all the police in the Colony under one head, who might be called O.C. Defence or whatever you liked, but divided into two divisions of Military and Civil Police. Certainly in the early years, and probably for a considerable time, the Military Police would have to have regular military Officers of experience in the higher posts, but the junior positions could be filled by local boys, or specially recruited young men from home, instead of the present system, where they consist of subalterns from the Army who come out, either because they have loved unwisely or are in debt, and who, as soon as they become of some use, go home again.

My idea is to build up a service with its own esprit de corps, and with young officers who, belonging to the country, will make it their whole career, will know the natives and their customs and the geography of the country intimately, and, in fact, will become like the men on the North West Frontier of India.

One would have to have a good depot in Nairobi where they would be put through a severe course of instruction before being granted their commissions, and we should probably have to have as large a total number of troops as we have now. We should, however, get them at greatly reduced cost, as the cost to the country of the officers of the K.A.R., including their frequent leaves, passages, etc. is very high. Also we should have one Headquarters of Police and Military instead of two. One of

the most expensive items is the present K.A.R. transport, which is so expensive that no civil department want to use it, and if they do not use it the cost to the Government is higher still!

I believe that if this scheme, which I have outlined, were adopted, we could considerably cheapen the cost of administering the Northern Frontier and Turkana, as it could then be administered by the military police force, with political officers attached, and much of the friction would be avoided. I am quite aware that if you are attracted to this scheme, you will probably get opposition from the War Office and Imperial Defence Committee, but I am sure they are wrong, and that from an Imperial Defence point of view, this scheme would strengthen our efficiency. The War Office, I believe, claim that the K.A.R. is a good training ground for young Officers. My information from young Officers is that from a military point of view their training is negligible as their work really is police work.

Please do not turn this idea down without serious consideration, as I do not put it up light-heartedly. You spoke very highly of Spicer's work in Palestine. As he is now at home on leave, do ask him his views on this. I know he had given a lot of thought to it. I am certain big economies could be effected, but I should not advocate such economies if I felt it would decrease efficiency, but I am pretty sure one could get a cheaper and more efficient machine. Behind it, as a reserve, we should have our British Defence Force.

Two smaller matters. I do hope you will alter the constitution whereby the representative of the

natives on the Legislative Council must be a Missionary. All meaning as they are, the stupidity of these missionaries almost amounts to dishonesty! Besides which, they usually only know one small part of the country and the inhabitants thereof, whereas a retired Civil Servant usually knows much more and has a bigger outlook altogether.

When I came home two years ago to give evidence before the Joint Committee, I and my colleagues were entrusted by the Afro Asian Society of Mombasa with a petition to the Secretary of State, putting forward their grievances, and asking for an impartial enquiry. We duly presented the petition to Lord Passfield, who promised to enquire into the whole matter, but apparently did nothing further. I have been asked once more to bring it to your notice. These people are also known as the 12 Tribes, and are the descendants of some of the original Arabs who settled at the coast centuries ago. No doubt your Secretary could look up the file concerning them, but their chief grievances, as far as I remember, were that they pay non-native poll tax but do not have votes as non-natives, and that some old financial agreement with the Government is not now carried out. I do not pretend it is a very big question but I always think that when people feel strongly that they have a grievance, it is wise to satisfy them by at least enquiring into the alleged grievances.

If you wanted an independent man to serve on any such enquiry, should you decide to appoint one, I should like to suggest the name of F.W. Isaac. He was a Provincial Commissioner and a very able man, and knew the coast and the Arabs well. He is now retired and

lives in Worcestershire, but has a farm in Kenya which he visits every year in the winter. They must know his address at the Colonial Office. Incidentally he wrote to me the other day and said he was appalled at the increase of expenditure in parts of Kenya which he had known before, and did not see how we could go on paying for it. I wish you could find time to see him, as he is so cool, but pretty shrewd.

Now, lastly, there is this question of some advance constitutionally with regard to control of finance. Let me say that I, personally, do not at all want to enter on a "do fight" on this subject. I should like you to see us very fairly over the taxation question and show that you do not wish in any way to ignore us or ride rough shod over us. At the same time, we feel we have no security, and are too much dependent on the vagaries of the Secretary of State and Governor of the moment, who, of course, frequently change. I quite appreciate your point that the Government cannot hand over the control of finance to the Opposition as that means handing over the Government. At the same time I feel very strongly that the only hope for a country like Kenya lies in a very real and genuine co-operation between the Government and the settlers. As you said the other day, this should be automatic. But it is not, and we feel that with a Labour Government in power, Drummond Shiels in your chair, and an unfriendly Governor in Nairobi, we should once more be ignored and trouble would arise. Cannot we devise some scheme, which, whilst leaving the actual control in the hands of the Governor, does give the settlers' representatives an actual statutory position as partners with the Government?

3198/33

I am quite aware of the difficulties, and do not propose to put up any concrete proposal at the moment. As you probably know, a Conference is to be held in Nairobi on this subject on 3rd July. I have implored them not to tie themselves to something which you must refuse, but to put up an argued case which keeps the matter open for discussion. At the same time, we have a left wing out there who will probably want to force the issue. This may lead to a division amongst us of extremists and moderates. For this reason, I hope you will not bang, bar, or bolt any doors, as I feel ways can be found of satisfying reasonable demands without impairing the responsibility of the Government. I think you can realise that unless the position of Elected Members means something real the best people will not come forward and offer themselves for election, as it does mean a very considerable sacrifice to do so.

Now, lastly: don't you think you could arrange to fly out and visit us next Christmas vacation? If you could do that, it would be worth everything. It only takes six days now to Nairobi, and I expect when the time came you would be glad to leave the fog and cold of England for our sunshine! Do please try and do this. I know you would think it well worth while afterwards.

There is one way of a constitutional advance which you might consider, and which was always favoured by Billy Gore. That is to put an unofficial in charge of a Government Department. If Government adopt the recommendations of our expenditure Advisory Committee, as I believe they intend to do, and form a department dealing with all the chief settler

questions

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END

questions, such as local government, Lands, Settlement, Surveys and Mines, it does give a specially favourable opportunity of putting in an unofficial as head of this Department. It will not be too easy to find an official for this post, as one wants a man who is really keen on the promotion of these subjects. I have an unofficial in my mind, who might do it well, should you so decide. If you did, such a person's status would have to be defined. I suggest he should be responsible to the Governor, should be a member of Executive Council and Legislative Council, but should not vote in Legislative Council. I put this up for consideration, as it has been proposed before, and was favourably considered by Ormsby Gore.

I should like to say that I did not instigate Guest's questions two days ago.

This letter comes from me as a private individual and not as representing my community officially.

Yours very sincerely,

(SD.) FRANCIS SCOTT.