

CO
Sin Walchione smichen, mn.P.
16.9 .35 Mr. Flood.

Please secs the attached correspondence with Sir Waldron Smithers, M.P. The Secretary of State said that he would be glad if the Department would go through the extract from the East African Standard whit Dr. Sterry forwarded to Sir Waldron, and mark any passages of particular interest. He thinks it advisable that a poricien reply should be sent to Sir Waldron Smithers, and he would be grateful if the Department would let him have a draft for consideration in due course.

 19.9.35. 14.4.35 14 STAFUTE Mr. Preston has prepared the attached draft and I am not sure whether it will Secretary of State's view or whether he would like a fuller reply dealing point by point with Lord Francis Scott's speech.

There is nothing new in that sheatect. It only represents the views of the European settlers in Kenya, which to do them Justice they have maintained for some time. The brutal fact in Kenya is that the farmers have gone on in the hopeless task of trying to make a living out of crops which cannot be sold at an economic price in the world market as it is at present. Kenya is definitely hampered by its distance from the sea and/ things are, no amount of reduction in rail freight or shipping freight could do any good. The rail freights on Kenya produce for export are already low and to reduce them further would probably
c. 9.


To sin $\omega$ sminter (tanea). 19.9.35. 19.4.35 24 STATUFE Mr. Freeston has prepared the attached
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mean an indirect subsidy on export goods. The farmers have been hit by bad seasons of drought and by visitations of locusts. As a result they are all in debt to the banks and are now finding that they simply cannot carry on. In the circumstances they have got into a position of despair. It will be noted that Lord Francis Scott says he is not asking for spoon-feeding for inefficient farmers, but merely that the farmers should not be allowed. to perish. Now it is very difficult to draw the line between spoon-feeding of the inefficient and assistance to those who can expect to weather the storm. It is also arguable how far the Government is justified in propping up what is an inefficient undertaking by itself. However, whatever may be the position in an economic vacuum, there can be no doubt that Kenya's prosperity, such as it is, is bound up with the maintenance of European agriculture, and for that purpose the Government has come to the rescue quite considerably with subsidies for maize and wheat and with the provision of $£ 500,000$ for the land bank; and proposals for increasing the land bank's capital by another 2500,000 are now under consideration, and it is hoped will go through.

In the circumstances the plea the Kenya settler is that he ought to have self-Government. Lord Francis Scott recognises that the root of the whole trouble is the low price of Kenya's products; that they cannot
alter, and they now want to explore methods of getting a better price locally. Attempts to do this by devaluing their currency could only lead to chaos because Kenya is not big enough or selfcontained enough to carry a devalued currency while it would still have to meet all its sterling, commitments in a market which would look with grave suspicion at any currency hanky-panky.

I should like to call attention to what Lord Francis-Scott says about the beneficient effect of control and organisation of wheat and essential 011s. There is a hope for the essential oil crops, but from the very nature of things it can only be small and the crops can only be drawn in limited areas.

Thereason that Kenya's crops are not directly subsidised is that the Government hasn't got the money to do $1 t$, although the agricultural advances scheme comes perilously near to a subsidy. Then he goes on to the old cry that the cost of Government is $t 00$ much and attacks pensions, salaries and the fact that Government officials are on incremental scales. It will be noted that he admits that cutting down Government expenditure is not so easy as people imagine, wut the保 have been quite as hard hit as anybody else. When times are good in Kenya the unofflcial laughs at the official for serving for small wages. When times are bad he accuses the official of being overpaid at his expense, quite forgetting that the essential feature of a Civil Service is that it should have some reasonable, not extravagant, permanent rate or pay which is not subject to fluctuation.

With regard to the Kenya loans, to read what Lord Franeis Scott said one would think that it was possible to convert them. Well it isn't. When Kenya floated the loans the terms on which they were put on the market were the most favourable to Kenya that could be got at the time. When the terms of the $6 \%$ loan were under discussion the point was taken that the date of redemption was a Long way off and/were definitely told that nothing less attractive would do. As it was, the underwriters were left with a very large proportion of that loan and were very angry about it. To put the thing baldiy, the people in Kenya forget that when they floated a loan, they were buying money, and what they are now doing is simply to object to paying the bill. If it were possible to convert the loan it would have been converted, but it $1 \mathrm{sn}^{\prime} t$.

The liea of employing Kenya youths in the Civil Service of Kenya is one that they are always trotting out because they find no opening for their children anywhere else - als the Kenya young man is not in coptine the whol machine The Kenya young man is not in great demand elsewhere, and with the unification of the Colonial Service his prospects of getting an appointment, at suy rate $i$ higher grade appointient, are getting less and less.

Therefore in the end we come back to the abuse of the colonial office, whioh is a very nice whipping boy, but unfortunately there is nothing that this Departaent can do. I have no doubt that the Governor
will do his best to do something, but it is very hard to see what line of action can be adopted. None of the suggestions put forward by the unofficials would solve the problem, and the only thing that I can see that will, a them good would be a large supply of capital at a very low rate fof interest and with terms of repayment which would be: almost unjustiflably generous. Even then, when they hav apent all theis extinapide, they would repualate payment and we should be back again whereWe were only ini th some extrof deat.

One complaint was said to be that Government in Kenya did not take the unofficials enough into its confidence. By this if is not meant cummoning round-table conferences of unofficial members ard putting all the cards before them, although such proceedings might help to ease the friction, but rather that Government's spokesmen in the Council do not give full enough explanations. For instance, the unofficials have for a long time been talking about the loan burden, but according to one of the unofficial members ho attempt was ever made to explain in detail, exactiy how the trouble existed and why it cannot be pelieved by some, scheme of compapsion. That annoys them.

There 1s, however, another side to $1 t$. It isquite possible to take the unofficlal Furopeans far too seriously and as long as they are taken seripusly they will go on mouthing and the noisiest would come to the top. It is also somewhat difficult for a Governor to co-operate cordially with gentlemen who
who abuse him in vulgar ways, and further it
is moventwat difficult for a self-respecting Governor/to associate cordially with some gentlemen of the character of those represented on Council. This is a somewhat unsavoury subject, but it is perhaps one cauge of the accusation that the Governor in Kénya keops hamself too much aloof. After all His Majesty's Representative must preserve a proper dignity and he could scarcely pe expected to receive cordially in a soclal namer people who woll not becur alldired near Buckingham palace or the Royal enclosure at Ascot. There can be lititie doubt thatthere is a large body of/opinion in Kenyal which has not associated itaelf with the extreme element, but thet epinion 1 a not vocal and therefore is never heard.

[^0]Getincts form Stimes
M. Heore

The attand notur (maine the work
of Th. Sparmit) haw heen propand is reppore $t=$ equuit fiom Si frivi. Miffry.

ARtantí
Suc. Bottomey
Sin v.maffy astes for a serien gratas
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shaw to in Geffey Dauran




Sid. blaffy.
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the Hown.
Li gmentten denciete horeo $x_{0}$ any kinis. ?lom wive hisi 6 keen thase notes a have hiem purein resux.
Kpunar


Mr.Pedler.
You may like to see the stuff and the minutes on $38039 / 35$.

97 The pasition in Kenya as regards the purchase of land is quite well shown in the first paragraph of Wr.Hill's letter. Some years ago, land in Kenya was driven up to extravagant prices and is now down, for the very good reason that, owing to the break in world prices and a succession of droughts, locusts, etc., farming in Kenya does not pay.

The idea, apparently in the mind of Mr.Hill, is that the Colonial Orfice" ought to contrioute financial assistance to them, in return for nothing, simply because they are farming in Kenya. There is no possible justiflcation for that kind of thing and, as a matter of fact, the Government of Kenya whioh had very liftle in the way of eash balances available. has sung aly its cash balances in assisting the settlers, and, in addition, has borrowed half a million which was lent to them through the medjum of the Land Bank.

The, total white population in Kenya may be 16,000 ( 1 it is over 17,000 ) but the number of farmers is, in round figures, 2,000. O1 these, 800 odd are engaged in maize farming and 900 odd on colfee. The price of maize has gone down so low that the Government is busy subsidizing it to the extent of its available financial resources, and in the case of coffee the price has also fallen to a very low level owing to a decline in quality.

The yam thet covernent officiels get 21000
£1000 a year and over is moonshine, of course, but it is bolstered up by taking into account and exaggerating the fact that Government ffficials get houses, medical attendafice and passages. On this basi the settier contends that anybody who is in rebel pt of 8700 a jear is really aver siOVO a year. Of course, you can do quite a lot with that, but the blain fact is that Goverment hasgot to pay to get people to serve and in the case of Kenya the official has got to 1 ive there and therefore has to be provided witha house; whereas e the settler came along and wanted to settle and there is no compulsion on anypody to provide him with quarters. As regards medical attendance, what would be said if the Government sent people to tropical Africa and did not provide them with suitable medical attention?

The idea of the "xast adrinistration" forced upon them by the Colonialoffice is again quite silly. Kenya has notivot vast administration and where it has lafger departments than other places the fact is due to the existence of and the demands af the Eurqpean settlers. For Instance, Government has to provide a huge staff of people to educate their chilaren in separate European schools. In order to Aassist Eurovean agriculture Government has to provide a large staff of different experts which are no use for ordinary native agriculture. Similarly, if is quite likely that if there were no Buropeans the country could get on with much less in the way of administrative and police staff (it certuinly wouldn't employ so many white police officers in subordinate eapacities). And when anything happens to a gurppean In the outlying regions, there is alwas a squeal that Governiaent ought to do more for their protection (see

As to their being heavily taxed, Lord Moyne, who investigated the position four years ago, said that they were probably the most Iv hill taxed community in the world and the advertisement of Kenya which is issued by their own agent always refers to taxation as when judged by English standards"
$\qquad$
As regards that comparison of the henya-oga an other railways shows that it is among the very cheapest of the lot and it gives specially low pates on the produce of the European farmers for export. It has further reduced rates quite recently and will probably do more.

Government does not and never has gone in for propaganda to encourage regale to settle in Kenya. That is quite a prevalent impression out is totally untrue. What Government doestist to maintain sn Information office to supply information to those who insist on doing to Kenya, but the fmetion of that office is to discourage the settlers who have not reasonably large capital and assured income. The detraction held out for Kenya at present by the settles representative is that, on a given income, say. 2500 a year, a mam living in Kenya can helve a better tire than he could anywhere else (e.8. shopping, golf, polo, fishing, etc., but if he goes there expecting to make a fortune


## Dear wilson,

You rang me up to say that Colonel Kuirhead would like to tell his constituent just where her nephew, Mr. fill, is wrong and you asked me to provide refutations of his statements, in order that Colonel Muirhead might select as much as he thought suitable. He will, of course, realise the importance of avoiding anything which might convey the impression that our Secretary of State fails to appreciate or to sympathise With the plight of many of the Kenya settlers. In point of fact, we are well aware of their hard lot and the struggle which they have all had to make, With many of them the struggle is almost hopeless, but it is difficult to see what assistance can be rendered.

In the first place, the Government of Kenya has, and had, very little available money and with what it
P.B. St.J. Wilson, Esq.,
had it proceeded to institute a system of advances to the most necessitous agricultural industries. A sum Chever 2100,000 has been advanced to maize farmers and is, we fear, completely 'frozen' and it is doubtful' whether a great part of it will be recovered eventually. In addition to that, however, the Goverament has borrowed half a million and used it to establish a Land Bank which makes advances, at reasonable terms, on security. Proposals for further extensions of the Land Bank's capital are at present engaging attention.

> In addition to this, the Kenya-Uganda Railway
gives specially low ratee on agricultural produce and the latest move is that the Kenya Goverament has agreed to subaidize exported maize, so as to provide a reasonable price to the grover.

The allegations made in Hr. Hill's letter are coman form and generally believed in Kenya, but they are not true. It is not the case that three-fourths of all the Covernment officials get paid $£ 1000$ a year and that the Covernor gets 517,000 . The figure of 21000 a year is, we
think, arrived at by including, along with the actual pay the men get, iaginary amounts represeating the value of houses, medical attendance, and passages to England. As to this, Goveranent is bound to proviae houses for its officials in places like the tropics where there are no houses available. There would be a considerable outery If the Governient of a tropical colony did not allow its officers to receive free medical attention, and it in recogaised on all hands that leave must be given from time to time and that it is proper for Government to pay the passages. In the Provincial Administration there are over 100 European officers of thom only nine receive E1000 a year or more. The Agrioultural Department which contains a large European staff, including research scientists, veterinary surgeons and so on, has only five officers with salarles of 81000 and over and so on with other departiments. The Governor's selary is $£ 5000$ a year, together with an allowance of $£ 2,500$ and a further $£ 1000$ as High Commissioner for Transport, which is pald by the Railway. The figure of 217,000 is got by adding up the
cost of the Governor's entire staff, private secretaries, gardeners at Government House and so on. In point of Tach, the alary is not excessive for e Governor in consideration of the difficulties which he has to face fond the very high cost of entertainment which falls upon the Governor in Nairobi, (me have been told, though this is not for publication, that the minimum expense which a Governor gan expect to have to face is at the rate of $£ 500$ a month). The da ea that the natives mould have no money if? it fere not for the settlers is simply ridiculous. In the adjoining territory of Uganda, where there are very few European settlers and the bulk of the industry is native, the people, ore as a mole much more prosperous than in Kenya and the natives contribute much larger sums to revenue. The financial position of Kenya was investigated in 1932 by Lord Moyne wo stated in his report, mica is published as Cad. 4093 . that the "non-native population of Kenya are in the probably unparalleled position among civilised nations of bearing no direct taxation at all, beyond a male poll tax of Shes. 30 a

Ene education tax of Shs. 20 or Shr. 30 and a comparatively light scale of death duties". In the advertisements of Kenya which are issued by the representative of the settlers it is generally stated that taxation is *light judged by European standards".

The statement that the railing is very dear is directly contrary to fact. Last November a statement was published in the paper called "East Africa* which showed that on a comparison of many railways in the Dominions, India, and other Colonies, the Kenya-Oganda rates were cheaper than any except New South wales and the railways in the United Kingdom. Since then, the railway has gone in for further rate reductions on commodities calculated to perform the greatest possible assistance to the producing community.

Kenya has got all the social services that it can afford in the way of heavily subsidized education for Europeans, expensive medical services and so on.

It is not right to say that people are encouraged to go to Kenya by Government departments. Certainly the

Colonial Office doesinot and the East African Government Fade and Information Office confines itself to supplying information. We understand that the line taken is that while a man with a fixed income of say $£ 500$ a year can live at a higher standard in Kenya than anywhere else, no-one need expect to make a fortune and no-one should go there without either a fixed income or a considerable amount of capital. Since Lord Noyne's investigation four years ago a system of graduated poll tax has been introduced (this was instead of income tax, which Lord Moyne reeommended) and this is paid by settlers and officials alike. We have recently had a complaint from the officials that they pay three times as much per head as the settlers and it seems somewhat odd, since the tax is graduated according to their income, but the statement has been made. In any case, as well as the poll tax there is a levy on official salaries, which was imposed some years ago in the most acute days of the financial crisis and has not yet been removed.

The fot is that the Kenya settlers nave been hit by the fall in world prices which has struck nost heavily at the producers of maize, wheat, cattle, etc. , and by a series of droughts and locusts which have affected the other crops and especially the coffee on which Kenya used to depend. Owing to drought, Kenya coffee has fallen off in quality and can no longer command anything like its former price on the London market. It is difficult to see how the Government can be blamed for that.

Yours sincerely.
E.S.PADTM?

## Dear Wilson.

Dowaing Street, S.W. 2 .

May I introduce myself as Lord Plymouth's
Secretary in successidn to Hibbert.
Hibbert has passed to me your letter of the 30 th January enclosing an extract from a letter uritten by a $\mu_{r}$. Hill, of Kenya Colony. I have shown your letter to our Kenya Department and we suggest that Colonel Muirhead shoulo reply to his constituent that he has passed on the substance of Mr. Hill's letter to the Colonial Office.

I trust that Colonel Huirhead $i l l$ feel that this is sufficient. Mr. Hill's letter contains such extraordine statements that I fear that any comment we might suggest upon its substance would be such as Colonel Muirhead would prefer not to include in his peply.

Yours sincerely,
F.J. PEDLER
P.H. St.J. Wilson, Esq..

Dear Hibbert,

## of un ch

30th January, 1936.

I enclose copy of an extract foin a letter written by a 4 r . Hill, residing at Minnehaha Springs, Kenya Colony, which was forwarded to Colonel Muirhead by on of his constituents, the aunt of the writer.

Colonel Muirhead would be very grateful if you could make some suggestions as to the reply which he should send toithis lady.

Yours sincerely,

## P女ricuar <br> PH SET. WILSON

J.G.Hibbert, Eaq.,M.C.,

$$
\begin{gathered}
\text { Colonial office, } \\
\text { Downing Street, } \\
\text { S.W.I. }
\end{gathered}
$$

That:

I have bought the tata
138 acres which includes 400 se sstate on which my factory is situated, water system, sprin es, bearing coffee, two houses, a complete houses*based toring, hydram, resevoir. I have one of the over $f 200 \overline{0} / 0 / 0$ to builstrict Council. This place cost a little s400/0/0. It includes a few years ago, and I bought it for are rather perturbed as apparenter and electric lighting. We deaf ear to us out here and farently the Colonial Offlce turns a A lot of fellows are more on farmera are going broke by the score. England you would have riots, less starving. If it happened in here come from upper class

The great kiok is that $\frac{3}{4}$ of all the Government officials get pald $61000 / 0 / 0$ a year and over, while the Governor gets
$617000 / 0$.

All this money has to be found by the natives and settlers. who pays them wages. So, only 16000 European men women and children have to pay for the vast adminiatration which the Colonial Office forces on us. The Government has an official majority and just does what it likes, brings in fresh taxes etc. $650 / 0 / 0$ per head per year. child is taxed directiy and indirectly postage in the world and no social have the dearest railway and

I am sorry to bore you with our political situation, but really it is enought to break people's hearts. Derelict farms everywhere, places sold for $\& 10,000$ five years ago going now C What is happening in the Empireople at home often do not realise what is out with the in the Empire. But yet people are persuaded to go out with their all from the sincere different Government establishments in Londons which are the greatest ramps in to endeavour to get as much lots of people at home as we asked public at home to realise the position as possible to get the people care two hoots about position, but really only a few

England.
Fet if we fight the Italians the first people that will have to go will be the Kenyiana to the Northern Frontier.
c. 0.

Mr. Tunter 2y/4.
m. Hood 22

Sir c. Parkinsom.
Sir G. Tomlinson.

- Sir C. Bottomley. $2^{3}$
 Pormid. U. of S.
Party. U.S.of S.
$\times$ Secretary of State.
DRAFI. cmism.
Catr. H.L.R.W.A

In Sivis xuthe
Private,

Thankyon for your very intrastung btter of octoven is 22, $t$ au grateful to you for sendnig me sude a full stremert of your views on wavy grostions.
$\qquad$

of Otth. Gild me much that
is Illuminatimg about affain in Kunge. Tiut hand commentr an atwapp of inturet, ever-/ they do not alvang tally precacdy woth what reachn onc form then somas! Ype will ast. 1 an sune expect me 5 dogun in - prowith letth all the varime matter of puthi porken which yp-have
truchat upan. I em mily aums $r^{r}$ that. even byfn 1 came $E$ the Colonid Offic. 1 tist - pantiumen intunt in Kany. Efici in and while I ham hen is gfie. 2 guad ded of my tine thin har recuper in byy $E$ fint stulim ff some of th com siffirt frobim the confint th criony. Now, at tom tive moniks here? 1 have to go hack to to Aominims othic aid so 1 unst lave these kempa poblewi to be sandthet by wy succeserr.

THE RIGHT HONBLR. MALCOLM MACDONALD ESQ. h. m. sbchbiary ob state ron the colonies. the colonial office. london. bngland.

Dear Mr Malcolm Macdonald,
As a Moray lean I would like to congratulate
you on attaining the nigh office of State you nom hold, the youngest to mold the office, and, with 1 hope a still greater future before you.

My Grand nether Mrs Jack lived for many yeura at Clifton Lossiomcuth, overlooking old lessie, and hor husband built a number of ships there, your Peatier may remember " Tory Jael."

You hare not bean to Kenya, I have had 25 years experience of this wonderful Colony. I write you in the hope that this letter may be, if not of use, at any nate of some interest te you, I write in all sincerity te a brother Moray len in an endeavour to make you au fact with some of the problems of Kenya which you will have to face.
COLONIAL, OFEICE GOVRRNMBNT. That this, in the past, and else today leaves much to be desired is shore My tho irritation displayed not only by Menes but by every Colony Miler its charge. The system id obsolete, out of touch, out of sympathy with the aspirations of your kith and kin, and should be entirely divorced from party politics, administered by some Imperial Committee. If the British Empire is to remain this must come. The people who have made their homes and sunk their all in such e Colony as Kongo should in justice be given a greater say in running their own affairs. OUR ADMINISTRATION AND ADMINISTRATORS. Our loans bearing the very Mig rates of interest $5 \%$ and $6 \%$ redeemable in 1947 are beyond the capacity of the celery to bear. They were arranged by your office, a bad bit of business, even at the time of issue the interest was tee high for a guaranteed lean, the torn was tee long, and today looks as if it had been a gift to the issuing house or the under: writers. Your office put itself in the hands of financiers to issue these leans, put yourself in their hands again with the order that they must immediately arrange a conversion scheme by monte of a lem loan on terms of equity as to interest and repay: mont.
H. R. THR GOVABNOR: SIr Joseph Byre. A charming man the was given an opportunity recently of leading the Settlers of Kenya in a loyal effort to try and solve tho difficulties facing the colony, 'a sort of inigon officer between kenya and the colonial office, an epportunitity that comes the ray of few Gevormors. He refused. He hus a salary of eves, apart from his vote. A comparison of the salaries paid in New Zealand with these paid in Konya is very interesting. Lord mletislee voluntarist rolimquishod $45 \%$ of his salary awing to the financial condition in Now Zealand! I might mention that a for years age the salary of eur Governor was more that doubled with a view to obtaining the services of the best type of men, the salaries of all Civil Servants pore at the same time very largely increased, with the same object. In other cauntrias salaries have been based on a figure calculated an an
 no -uch busia and our Civil Sorvants for yoats have been draving salaries at the apato of $120 \%$ to $140 \%$ abova theso of 1914. The Colonial office raut have baen wware of this and should have taken stops to eoetify so glaring an anemaly. Four office has a duty to the coleay which sheuld como before that te its employees.
In conoction with tho burdon of our Administration I commond to your attention the Repert of the EBIBCT COMMITTBE ON BCONOMY With apocial refarange to the ehapter of Civil Sorvice Salarios, Lorns ind the re:cryanization of tho Gevernomth nachino. 1HCQuE RaX. It aay be nocossury te intraduee this but NOM CN cop of pracent difect und indirect tuxation. Providel thio provise 13 accoptad und undarstoes it is posaible that tha introduction of Incerio tax would not moot with as ruch orpesition es it did proviousiy.
DEVALUATLON. Thare is probibly a big majority in favouc of this,
 to conidar tha natior. Your pradocasser tole us whor out here thet "davaluation lando to dasantion" notwithstanding lie succass alleged for dovaluation in othar countriss. I may sey that I can think of ne othar eountry where dovajuation has was tried with conditiona ontirgiy similer to thoso in Konya. If Ser Philiip Guliffolistor know onouch/about dovaluation te hivo atatod eloarly why devaluation in Ronya wouzd laud to dumaition it is a pizy la did net do so.
THB WHLTE HLGHLANDS. Tho Eroaijo of bize Whide Hichireke EuNi vo


 It has boon said that the ratontion of the H2ghiando for Buropanha
 How Zaseland, cun Europanhe obtain lane in tha Maork Rosorvos.? What land, if any io vevailabio in Inide for guropoan satclamant.? We huve etitics of Kenya ut lloas, both 1a atd out of tho housa of Comens, seme seekers after chanp noterioty, somo disgruntlod Keny divil Sorvante, botk syaring of the truth, and eaibigg atatemants they ure woll awnire are false. We wore told is our youth that * Hell holes no fury like a venan acornoe * teday this is out of date ahd sheuld be "Hell helds no fury lika that of a disgruatl se Konya OiviI Sorvant."
NATIVE POLICY. It is is oxaggeration to say the Gevornmont has nene. Thero is a houp of gool in our Konya Nativa Tribas, tharo is aise a pell of a let that la net cood. Under prasant condicions the Hetives havo lest their ola respact for gho dovornment. Ha undoratands diselpline; whthout strict diacipiles ho pacomos a waster. The two big ldass in the mihe of avery Hativa wra food gad fornication. He accopto fros birth tha suporiesity of tho Whito Man, but at tho beck of iis aine thars is aiways vis iope wht ha muy bo wbla to loi tha baiwar of hid. Bducution akkos fin an agitator, 2 B a thousand yonrs ha may ranlly bocono a Chrictian. The avorage Native in Kenya today is ad woli off is a $30 /$ - a veok sinzio awn in Bhgland. I servod for 1 yours in tha Sucwe if it whis ruil on tho ainos Konya is thore would be a ris: 2ag every alx mentha. As a hintivo Ohiof infornsd the Cartor Gemisisien " the Netivo loos net want his opinion soked, ho loos not understand this, ho vants to be teld what to de and havo semeone te see that he less it." What is wanted is some kind of
kindiy and bonevelent compulaien te prevont furthor doatruction and doselicitien of lend in tho Nativo Rosarvas. This was rocomond cod an the tatorpste of the Natives hy both Sir B. Hall and tho darier Comizizion. In tho Stekas Cempisioion a coiourod elorie stressad the fact thai the Native must to taught the digaity of Linevut.
LBGAL ADMINISTRATION. Tha Native todey is sufforing from toe nueh Law and too littlo Justice. A lettar by a lato Chiof Justice of Tanganyika in Tha timas cacontly statoe that there wes in a certain amount of friction bstreen the Law and tho Administration" the cno trying to maintala thair dignity as roprosontativos of tha law anf tho othar to muintinin chear dizaity mo raprevoniontivos of pho Kiag. This frietion tay be et tho botwa of tho sunerous, fovilioiono in cuses tried by Administrativa Officars. Cili you inmizho tho offoct on the wild of a Native witor bathy coavictad on seme otiall charge being breught bick before the Adminiatrabive officer whe Santenesd lip whe told the convaction is mquashod. Now in no sonise ero those rovisions the result of an apponi, the High court simply raviows tho avieanca igekinc for a tochnichi flar, doos bot soe the accused and has not the knowiodge of the Native or his it cuictems that the Administrative officer has elaanad from yours of expertellce. Thara ia not an Administrative officer I have spokon to on this matter who has net acknowlodged that he tries a crise
 foverea fy docision. This is a faceo not justico. RBTAINANG THE SRMTLRR ON THE LAMD, THis is. the biLzest ene nost difficult, problae baforo Keny toduy. The rori solution, tha scabilisation of an oconoric perice of products, is an univoroni problem soyond tho ken of gonya. tubsidiss ovon if availabla wal7 Het moet tho case. In 1933 South Afrien subildisad ius iapgors to là extent of eseceece that w+i want anto tho pocketo of che farpors cediters, The setrior doos act desive ropudiution, ut soza sort of neratoriun to provant feroclosuro sooms zhdicatad wi vi a raduetion of 1 hterest. A Bank with sufficiont cajpital to thko over all mortenzad on iang torms of ropuypont and raducod faterost, on the lines of whe bank of Nou zanland und givon the hanaline of all produce, would mael tho caso and in ny opinion pey the wry.
PHA YOUTH OE HBRYA FOR OUR GIVIL SBRVIOB. Thore are too many Goans whi Ludiens in our Adpiaistratien, grantod thoir afficioncy, this hus 2 od to tho avarace officer putting toe much work on ther. and rolyang on thon for information whel it is his duty to knov. Your office pibsed a nice gosture rhen refusal was givon to the requat for the ompioyment of the youth of Kenya 1 y our civil Sorvica. It is bound to corio as it hive conte to Now zealand. INDIA. The future of Indin is the hiecost gambla ever triodin history. This hus nothing to do With Koaya, but no ebjoct ide india liavias any ony in our uffairs or that kenye shoutd og e purn in olio doiitioni gamo. CLOSER UNION: This mallar vill to deciled whon horr Hitior rouly to meke his comands, and unioss Baziand is in w vary vory much stranger gosition than sho is toduy ho will got or thiro just oxactly whet ho wats. This will sotbla Giosor Unien. Tilis lattar 10 tho opinion of a bretior Moray loen whe had apont 39 yoers in Africa, mado hia Home in Xonye, wite tus tha walfare of Keaye at hoart, and whe wishas you the vary hast duek in carrying out succossfully the difficult dutios on ailed by your office. tho wast of zuek in the soming Bloction.

# Tu Fofore R29] 

$\square$
Mr. MacGregor Ross called on me to-day and spoke picturesquely and at length on the subject of his bette noire, the political settler community. in Kenya, and described how, by their methods and influence, they were able to compel Civil Servants roo grant them concessions and to alter laws, contrary the to/ public interests.

His specific representations were directed to the question of road repairs, which naturally interest him as an old Director of the Public arles Department. He says it is proved beyond all question that the method of hand ing over road repairs to local District Boards is wildly extravagant, compared with carrying out that work through the normal channel, the Public Works Department. He asked whether this latter question would be one that mould be looked into by Sir Alan Pim. I said I did not know.

Does SiřAlan Mim know anything of this matter, and is he likely to enquire into it? I do not propose to let Mr. MacGregor Ross have any answer, out it may well be worth while to put the point to Sir Alan Pim as we are likely to hear more about it as the result of further activities on the part of Mr . MacGregor Ross.

## Nu.

## Ceram

The question whetherfrouds in Kenya should Do under the control of the $\$$.in. D. or the Local fo Distrigt Council a is oneswh1ch wat fully presented



In his report Lord Moyne provided figures to show that of the total amount of indirect daxation collected in respect of Customs was was $3 / 7$ ths of the whole. On that basis the amount contributed by Europeans in 1934 was nearly $£ 28,000$ below the 1981 figure. It can therefore be argued, having regard to the progressive reductions in expenditure, thet the imposition of direct taxation has been highly necessary to off-set the loss from indirect taxation.


TPhe overherd costs of the Colonv higher then in Uganda or Tanganyika, stand at more than This is true, in fact the total estimated net local expenditure for 1935 is £2, 157, 770 but it is not to be imagined that this is the sum required to pay for the cost of the Civil Service. The amount includes such items as interest 44,224 , local Government contributions to local authorities \&72,291, public debt funded $£ 183,225$, pent and interest

 plight Very full and sympathetic consideration has been given to the Onlony's financial burden in this respect. But it has been found that no alleviation is possible withouther breach of


One of the principles which governs the European attitude in Kenya is the idea that for some

ani) was aluo unatle to 20 any rece development reason or other the settlers in Kenya are a chosen people and therefore ought to be specially treated and rendered immune by Governmental action from such thing: as economic disaster, loss of money, and other misfortunes to which everyone is exposed.

Kenya has always been and always will be an agricultural country (except of course for such development as may come from the new gold mining industry). From its earliest days its revenues were not sufficient to cover the cost of administration and it used to receive a substantial grant in aid from the Imperial Exchequer. Inevitably therefore Kenya was unable to accumulate any kind of reserved. The grant in aid came to an end just before the war and since then Kenya has managed its own finances but owing to the hectic development of post-war years Kenya was never. able to accumulate a large balance. The com hat fuss in
 7 boing agituwitural the growth of such a balance would heve boen-slow in any easend owing to the depression which has hit the place there was not sufficient money available for Government to come to the rescue of the Buropean agriculturists. As it was, Government did advance over $£ 100,000 /$ to the growers of malze $/$ which is one of the principal European crops, and has very little hope of getting any of it back. That advance has seriously crippled Government'sfinancial resources by taking away most of the available balance required for current finance.

The railway rates are designed to help the exporter and crops for export are carried at very low figures which have to be made $u p$ by correspondingly high rates on imports.

The settlers' talk is now mainly directed against the "high cost of Government" It is perhaps as well to point out that a good deal of the "high cost of Government" is directly due to the settlers themselves. If Kenya were a puralyan native community such as those on the west coast of Africa or such as Uganda it would be possible to reduce expenses considerably: But the existence of the Europeans and the Indians and the natives requires extra expenditure on Government. Further the demands of the settlers for assistance in various directions have led to an expansion of Government activities which would not be warrented on any dispassionate view of things. For example, the expenditure on the Agricultural Department in Kenya in the current estinates is $£ 126,000$ compared with $£ 94,000$ in Nigeria (which has six times the population and about ten times the trade) and $£ 81,000$ in the Gold Coast. Education in Kenya costs $£ 178,000$ of which $£ 45,000$ is directly chargeable to European edueation. No such provision is to be found any where else. $£ 83,000$ is provided for Local Government most of which goes in contributions to the various European-run municipalities. Nairobi gets $£ 30,000$, Mombasa S66,000 and various district Councils $£ 52,000$. The police force in Kenya costs $£ 135,000$ which is fairly large heving regard to the area and population of Kenya. The Nigerian police costs £220,000 for a much more complicated and difficult job but a lot of the trouble in Kenya is that they insist on employing European police
officers in subordinate ranks which in other places would be held by natives.

This I think is enough to show that the alleged high cost of Government is at any rate in part the fault of the settlers themselves.

As regards pensions and gratuities what everybody forgets in dealing with tropical African affairs is that the Services there are of very recent growth. Thirty years ago when Kenya was transferred from the Foreign Office to the Colonial Office there were no pensions of any account on the funds of the territory which was natural since it was quite new. Then, by degrees, a Service was built up and inevitably officers were invalided and now retirements due to age and length of service are bringing up the pension list and waifess stability can be reached in the Kenya Services it will be inevitable that that list will go on increasing for some time to come until the oppropriate actuariak level is reached.

With regard to the famous Kenyan Loans it must be remembered that when the high interest loans were floated Kenya was a new thing on the market and the then Secretary of State was advised that any less attractive terms than a $6 \%$ loan with a full 25 year currency would not produce the money. Even as it was the loan was a "flop" and the underwriters were left with a very large proportion of it. It follows thet, as I have said before, Kenya is now having to pry the bill for the money which it got mainly in arder to develop the country as urged by the settlers, and, like many another debtor, Kenya is objecting to pay the bill. Lord Moyne in the course of his examination of Kenya's finances said that in the development of the undivided or colonial services in Kenya the prevailing officers


practical remedies are hard to'find, and many of the suggestions put forward by the settlers themselves (e.g. devaluation of the currency) would inevitably defeat their own ends.

There is, I am afraid, no panacea
for the Kenya farmers' troubles, and anythings
that Govt, oan-offor-mitet-be-the-mereat
palliative I had several long talks with
the Governor, Sir Joseph Byrnie, before he
returned to the Colony last month, and I feel.
Kongo that he is amiabis that avyinmy that can be of Ned allure that he may be relied upen-to liaton-to proctial hap to the semites shool he dove;
the-settiend ere wI th qutention and sympating
but neither he nor I, unfortunately, can work
miracles. I am giving the whole question wy whit careful attention. With ked regards,
Yours sincerely,
(Sgd.) MALGOLM MacBONALD

## CHISLEHURST DIVISION.

## Shelley, Knockholt, Kent.

## If ex

Dear $m^{2}=m_{\text {ac }}$ Donald,
I am sending you a copy of a letter and a cutting from a paper, which have been sent to me by a friend of mine, whose name is John Story.

He is a Doctor, and a man of quite exceptional character and ability. I have known him practically all my life. He was for many years our family Doctor, and I really know him intimately.

Some years ago he decided he would like to go out to Kenya, and he has corresponded with me regularly,

I thought it would interest you ta see a letter from one of the Colonies written by such a man as Dr . Steryy, and you can be quite sure that his letter is perfectly sincere.

Yours sincerely
Wacdion Smithes

The Right Honourable
Malcolm MacDonald, M. P.,
Colonial Office,
Downing street,
S.W.I.

## Kenya Colony.

So many thanks for the paper, if a Socialist Government eeo in at home it would be the ruin of this colony, I have forwarded it go to Sir Robert, Shaw, our member on Leg. Co., who la a very good man.

I enclose the speeches at a meeting the other day at Nakuru to show you what we feel here about things. The condition of things is not overstated. In this distract alone there are not 10\% making a living on their farms, but are living on appltal pr overdrafts, and have been going so for the last four or flue years.

It is impossible for a Government at home to understand conditions here, and the official members (the majority of Leg. Oo.) fail to grasp the gravity of things in the Colony.

I w111 try and keep yqu posted with news from here. Yours ever,
(Sd.) JOHN STERRY.

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An Appeal Addressed to H.E. the Governor


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The most comfortable way of making long journeys is in the roomy and silent saloons of mperial Airways' air liners, which are always kept at just the right temperature. The ourney by air is so much shorter and cannot tire you; nights are spent quietly on land The air liners are, four engined for complete reliability and there's plenty of room for your Iuggage. The moderate fares include everything.

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E.A. STOCKS AND SHARES

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EUROPEAN LOCAL CIVIL SERVICE. DUCATION DEPARTMENT.
 DIRECTOR OF EMLATON

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## Service Stores

Record Breaking SALE
Is the Talk of Nairobi.

25\% DISCOUNT FOR CASH On our entire Stocl of Glass pare. Silver Electro Plat Pewter Tinware, Enamelwar, Prushyare, Cutlery, Domestic Hardw fe
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E.A. STOCKS AND SHARES

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BARCLAYS BANK (DOMINION COLONIAL:AND OVERSEAS)
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## An Appeal Addressed to H.E. the Governor

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## INGENIOUS FRAUD

## Native Who Got "Batch Rate" Tickets.








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## K.U.R. APPOINTMENT

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