

38039

1936

38039

KENYA

C.O. 533/464

Settlers Grievances

Visit of Lord Darnley, Settler U.K.

Previous			
	R. 297	2/6	
	R. 309	5/6	
	M. Ford	5/6	
	Dr. C. Bottemley	6/6	
	Dr. J. Maffey	8/6	
	Mr. Boyd	8/6	
	LORD PLYMOUTH	9/6	
	Secretary of State		
	R. 297	12/6	
R. 297	9/5	R. 80	17/6
R. 309	7/6	R. 297	7/6
M. Parker	9/5	R. 298	6/6
M. Ford	9/5	297	22/6
Dr. C. Bottemley	1/0	Room 309	2/6
Dr. J. Maffey	7/5	M. Parker	29
Mr. Boyd	✓	Dr. C. Bottemley	30/6
R. 297	21/5	C. D.	21/7
R. 309	27/5	R. 299	3/7
M. Parker	22	R. 297	31/7
M. Ford	22	180	1/9
Dr. C. Bottemley	22	R. 297	
R. 309	✓		
298	23/5		
R. 297	✓		

DESTROYED UNDER STATUTE

We have received the communication from the foreman regarding Lord Francis Scott's visit.

File by
C. Ross
875736

The cases about the publication of the soap about the expense here will not be the occasion for the resignation of Lord Francis Scott from the Co. in a 38098/1136. The file about the Agricultural Credits Bill is in a separate

2

See letter from Mr. Fitzgerald, Chief Clerk, that Lord Francis Scott's flight from the House is due to his wanting to get back to a country with out crawling to the Government. He would have an apology for his behaviour is one that Lord Francis

should not. There is an understanding that the two European officials on Executive Council are to be the leaders and one of the National members but it is only an understanding and it would be absurd to make it a matter of right. It might easily be that any of these gentlemen would not be persons who could be trusted and in that case the Government could not be compelled to appoint them.

I should have said the note is the last card of the Kenya extremists. We hear all round that they are disheartened and this is a last move to try to bluff the S. of G. into giving them something which they can return in triumph. The Governor has told us that the meetings in many places were farces, and the idea of Lord Francis posing as the chosen messenger of the white

Handwritten notes:
referred
to 11/1/36 from
the understanding
which becomes
of the understanding
well

Presenting a case before
regarding the Board scheme -
Committee of the proposed
organization of Government
machinery are considered

The question of Indian participation
in the defense unit should be
addressed to the local Committee
which are considering the
organization of local defense
The Board scheme has been received
from the Secretary but without
comment. It has been sent
for expert advice

Participation of Government machinery
has not been settled. The report
to Sir Alan Pinn's investigation
is the suggestion that Lord's Court
will look for the Kenya Constitution
to be amended

Parliament No 4 of 1947 should be
referred to both the House of
the Indian Congress & the Indian
Elected Members Organization that
their representation has been
secured

No 6 contains the same message as
No 4 & can be put by

No 7 contains a copy of No 6
left as in Page 11 with
African with
22/5/46

Could the C.C.
consider it? The
debate and
"Economic"

Probably about
intending the letter

J.P. Pinn
22/5

Waccunda
the lead to
disruption
with

yes: the idea of Indians - Kenya pattern - in any defense force
is really comic. The argument is of course that the Defense
force or whatever replaces it is to be used as a sort of
insurance against them. If the present force is replaced
by a Territorial unit, it is suggested that it is not clear
because the new body will be part of the troops

In replying to Kenya I think the Governor should
be asked to inform them that they should make their
representations on such matters to him

No 7 shows what happens when you get deputations
The Swany League (Kenya) can have nothing to do with Kenya
and the only excuse is that it is Indian & these are
Indians in Kenya. The fact of the Kenya Indians calling
themselves a League is enough to show what they are worth
(the Kenya Indians)

J.P. Pinn
22-5

Off handed. Take other schemes
uphouse, or draft of letter for me
to Sir J. Pinn. Howling and shouting
we shall have to consider the fact that
action against the Kenya Government
such as he suggests. If he is
dealing with it by deputations, so
should the letter

The letter can go on through
authority as some convenient
opportunity. I see no necessity at
the moment

W.P. 22.5.46

To Sec. Indian Swany League 7 and 23.5.46

DESTROYED UNDER STATUTE

Sir C. Bottomley

10

Mr. Flood:

Could you please advise as to the reply which might be made to the attached letter of the Prime Minister's Private Secretary regarding representations from the Elected Indian Members of the Kenya Legislative Council.

W. H. H. [Signature]

22. 5. 36.

A similar communication has been addressed to the Lt. Gov. for the Colony who has been advised (see No. 748 on 25/5/36) to copy a note might be sent to the Lt. Gov. with a suggestion that the reply from the P.M. might be that he has understood that a similar communication has been addressed to the Lt. Gov. for the Colony who has been advised and that in the circumstances he lets no reason be advanced or to receive any depiction.

How will [Signature]

Send

has been sent and a copy of our letter
Dated 20th letter to Sir Raymond Beckett

12/5/36

W.H.H. 26.5

Mr. Flood

DESTROYED UNDER STATUTE

P. E. L. P. Minister

21.5.36

The letter received from Indian Swamy League
enquires - to reply.

LD 21 Speed + 9 cond. 26.5.36

AIR MAIL
+646

11 To Govt. (P. E. L. P. Minister) 3/0 + 2 JUN 1936

Ex tel numbered
Secretary of Indian Swamy League
reference is made to the letter of 15/5/36 in which they
enquire about the possibility of a meeting.

It is noted that the meeting is
to be held in Mysore on 21/6/36.
The Government are pleased to see that such
a meeting is being held and are glad to see that the
representatives of the whole country are to be present.
It is important to ensure that the meeting is
held on a date which is convenient to all the
representatives of the country and it is suggested
that the meeting should be held on 21/6/36.
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representatives of the country and it is suggested
that the meeting should be held on 21/6/36.

To Kanya, 401 (H. S. 12 Annam) 11 JUN 1936

13
11/6/36

14 Deputy Government No. 288, 5 June 1936.
Ref. No. 5; transmit a copy of letter from the Indian
Elected Members Organisation confirming their telegram.

15 Mysore 3/0 3 June 1936
I have received your letter regarding the
provision to your Defence Force.

I submit that, despite the
regard to the representations in
No. 4 that Indians be
permitted to participate in
the Defence Scheme.

Of course the Indians don't want any military services
and it's only because they feel they are safe from it that
they pretend to want it.
(I should have said the answer to (d) would be
with my usual (but no matter)

Yours faithfully
C. P. Ramaswami
24.6.36

16 To Kanya, 470 (14 Annam) 3 JUL 1936

170-15

Sir J. Maffey

7

38276

The Bond Scheme telegram will be found in 38216. It came along on the 25th and we have already reminded the Treasury in conversation, which we did as soon as we got the Crown Agents' letter. It is obvious that we must wait for Treasury comments.

15004

As regards the Maize Bill it was because we here saw objections to it that the Secretary of State sent his telegram asking for it to be submitted in draft in whatever form it eventually takes. The Indians did not say anything either direct or through the Government of India. ~~They do not even~~ mention the Maize Bill in the telegram which they sent objecting to Lord Francis Scott.

15052

With regard to the Dairy Bill, the position is exactly the same as the maize one. The Bill was published for criticism and we knew that there would be a good deal of local trouble, so in the case of it also we have asked for it to be referred home. We knew that Mr. Montgomery was opposing it and other people are opposing it too.

The Resident Native Labourers Ordinance involves a complete revision of Kenya's labour legislation - which is not a matter that can be rushed. Of the two years about which Lord Francis Scott talks, over eighteen months was due to deliberations in Kenya and we heard nothing about it. I will do what I can to expedite progress.

Draft 2 pp. Sewell.

J. W. P. [Signature]

29.6.36.

Om

20 Memo of points which Lord F. Scott wishes to discuss
20^A Memo on points raised by Lord F. Scott.
Sir Cecil Bottomley.

17^A

Attached is a brief note of Sir John Maffey's last interview with Lord Francis Scott and also two letters which Lord Francis has sent to Sir John, together with Sir John's reply.

18-19
20

Sir John Maffey thinks that it would be a good thing if some general account of ^{the} talks which Lord Francis has had here, could be sent to the Governor of Kenya as soon as possible, either semi-officially or officially whichever you think best. I presume that we cannot catch an earlier air mail than that which carries Lord Francis himself back to Africa. I think that Sir John would like to see the draft of any letter or despatch.

J. S. G. M.

Jan 7/36

Sir J. Maffey

Mr. Kimble

W.C.B.
27

27.7.36 Sir J. Byrnes etc 4/6.18 27.36
22

Orig. on 15052/1/36 Economic. 25. Extract from s/o letter from Sir J. Byrnes to Sir C. Bottomley dated 13.6.36.

Registered for record.

DESTROYED UNDER STATUTE Put by.

Shewn now attached for record
was received from Sir J. Byrnes

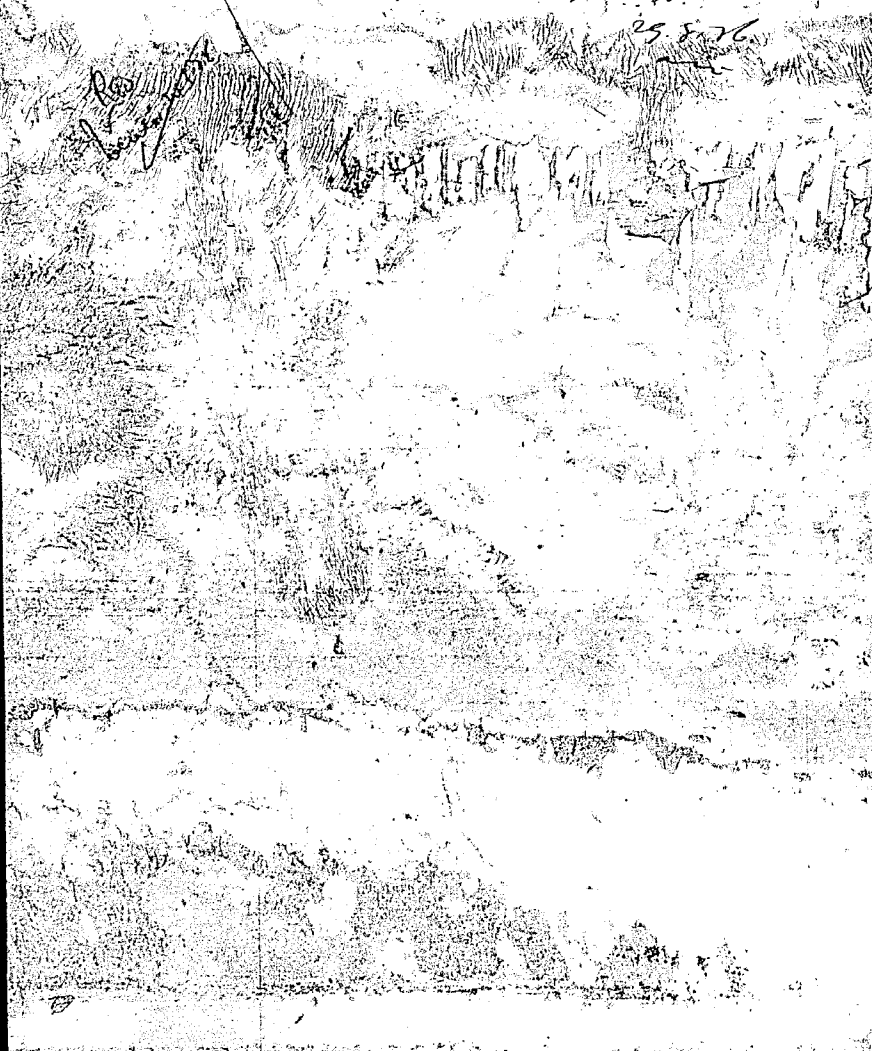
25.

at the Newton about the
time of Mrs James Scott's
arrival. Dr J. Maffey saw
them, & the markings
were pretty well according
to plan.

Partly lost

25. 8. 76

100
100
100



25

9

TELEGRAMS:-
"CONFGOV, NAIROBI."

REF. No. _____

RE
10 FEB 1936
O.O. RE

OFFICE OF THE
CONFERENCE OF EAST AFRICAN GOVERNORS
P. O. Box 601,
NAIROBI, KENYA

7.5.36.

My dear Bottomley.

The plane which carries this letter also conveys Lord Francis Scott; and, although is outside my official purview, I am venturing to send you one or two reflections on the possible consequences of his visit.

I was inconspicuously present at a large public meeting in Nairobi two days ago from which Lord Francis derived his mandate to fly to London and enter into discussion with Secretary Thomas de omnibus rebus, etc. quibusdam aliter. The meeting, as far as I could judge, was neither representative nor enthusiastic; but there was undoubtedly a vague feeling that Lord F.'s visit might do some good in placing the unofficial point of view directly before the seat of authority in London.

H.E., who has talked to me more than once on the subject, is, I think, a little apprehensive that the history of Lord Francis' mission in 1933 (resulting in the volte-face over Income-Tax) may

REF. NO

NAIROBI KENYA

the Department in want on the S.F.S. might perhaps
be less forcible")

He was inclined to see an element of wisdom in
my suggestion, & finally said that the proposal to
seek an interview with Sir John Roffey to begin with
(on the strength of their old acquaintance), this to
take an opportunity of detailed discussion with
and other who are familiar with the facts of
argument, & finally to approach Sir Thomas
himself. He also mentioned that he was hoping for
sympathy & support from Lord Halifax in gaining
the ear of the Prime Minister.

He is preparing to spend about a month in
London, returning on June 22nd.

It is of course assuming that his influence at
the Council will not be substantially affected by the
divisions in the latter body about the Vigilance
Committee. It has been said that efforts to "bridge the
gap" are unprofitable if one of the peers is - unreliable.

REF. No.

The difficulty is that no other pass is available

For my part, even were "vacancies" than I had
anticipated, the plan in the present situation of my
still in the casual stage. One of the chief attractions
is the opportunity for travelling; I have already visited
Mombasa, Tanga, Zanzibar, Dar-es-Salaam, Entebbe & Kampala

on duty, as well as going on my ride to the
Tribunal Hall to Nairobi. Next week I mean to
fly to Mombasa & back for an interview with the
governor conference. Dar-es-Salaam for the Governor's Conference
at the beginning of June, & Entebbe for Railway
Council at the end of June. What I am most anxious
to find is opportunity for travelling off the beaten track
the Nairobi - Entebbe - Dar-es-Salaam triangle, which soon
begin to pull

Yours ever

B. Robinson

PERSONAL AND PRIVATE.

AIR MAIL.

CEIN

GOVERNMENT HOUSE,

KENYA.

EAST AFRICA

4th May, 1936.

for Mr. Bottomley
C. O. REGY

My dear Bottomley,

I fear I have rather neglected you of late: my last letter, I notice, is dated the 22nd April. Things have been so quiet and peaceful that there has been nothing worth telling you.

I have arranged for Legislative Council to meet on the 18th May when I hope get passed the three Bills implementing the recommendations of the Agricultural Indebtedness Committee. I trust the Elected Members will act sensibly and not try and thwart the introduction of these really generous measures.

Mr. Lewis the head of Barclay's Bank is going home by Air and should be in London about the first week in June. I believe you have already met him so I have asked him to call on you as he is one of the soundest men out here. You will recollect that he was a member of the Expenditure Advisory Committee and is thus well acquainted with the interam working of the administration. His views on taxation ^{and the Road scheme} will also be valuable. I should be

most,

most grateful if Mr. Thomas could spare the time to grant him an interview.

We have not yet heard the end of that infernal fellow Cowthorne. I enclose a cutting from a local Indian paper showing that questions have been tabled in the Indian Legislative Assembly.

The Defence Force Committee seem to be doing their work very thoroughly: they have very rightly issued a public notice inviting either oral or written expression of views.

As regards politics. In my letter of the 22nd April I told you about the proposed public meetings. The Naivasha meeting was a very small affair, hardly anyone there. The Eldoret meeting has been well described by T.J. O'Shea who was present - I enclose a copy of a letter on this subject which was published in the East African Standard. The Kitale meeting was a rowdy affair causing much trouble to the Chairman, Admiral Grampton. The correspondent of the "Kenya Weekly News" (the Settlers paper) gives an amusing account of it (enclosed).

I now gather from some of the up-country speeches that they don't want Grogan to go home. They say that he

will...

will only confuse and annoy the Colonial Office with his devaluation obsession!! What truth there is in this I do not know but the fact remains that the "Silver tongued orator" has now decided to remain here.

Tomorrow night the great final meeting takes place in the Princes Theatre, Nairobi. Schwartz is to be in the Chair and the speakers will be Francis Scott, Cavendish-Bentinck and Grogan. Its going to be a real gala performance and as the seats will be free the Theatre will be packed.

Touching on the question of filling the vacancies on Executive Council it is essential that the Government should sit tight and await events. I have discreetly ascertained that if, at the present juncture, I appointed outsiders (not the elected) there would be a howl voiced by the East African Standard. The next move must come from the Elected Members and in the meantime the country is quite content to allow the Government to carry on. Any move by Government at this stage would be fatal.

I will close now but will not post this till Wednesday when I will be in a position to tell you something....

4.

something about tomorrow night's meeting.

Yours sincerely,



Sir W.C. Bottomley, K.C., M.G.,
G.B. O.B.E.
The Colonial Office,
LONDON, W.1.

7th May, 1936.

P.S. I enclose cuttings from the East African Standard describing the meeting which took place on Wednesday evening. As I anticipated (free seats) the theatre was packed, mostly by people who were not greatly interested e.g., Government Officials and others who have so often heard the same old points raised. Some of Francis Scott's personal adherents came down from Njoro and Nyeri in order to assure him of applause. From reports I have received from persons present the proceedings were tame but cheery, as was to be expected at an after dinner entertainment.

You.

9
GOVERNMENT HOUSE,
KENYA.

EAST AFRICA

5.

You will see that Francis Scott flies home on Monday so you will soon have him with you. I understand his activities will include:

(a) Personal propoganda against me. This you need not worry about as it certainly does not worry me. Anyone with experience of Kenya must realise that a Governor who conscientiously does his job is bound to fall foul of the small clique who are endeavouring to keep control of affairs. Direction by such a clique was possible under the more able and strong rule of Delamere. But it is no longer possible now as the big industries e.g., Coffee, Tea and Sisal are organised and wish to conduct their own negotiations with Government. The same applies to the Commercial and Mining communities who do not wish to be mixed up with these perpetual political rows.

(b) Co-operation with Government. Both I and my officials have always been anxious for friendly help and advice but naturally in many matters we have, in the interests of all the races here, or with the object of maintaining financial stability, sometimes to adopt a policy which may be displeasing to a minority. Instead of help and advice I have

from...

from the moment I arrived been confronted with a highly organised Parliamentary opposition, always on the watch to trip Government up and ready to seize any opportunity to inflame public opinion against it. I suggest that if co-operation is necessary — and indeed it is necessary — there should be a complete change of ideas and methods on the part of the so-called political leaders. In a separate letter which I have sent you today I have brought to your notice a very glaring example of the "co-operation" I am now receiving.

(c) The Bond Scheme. I doubt whether Francis Scott understands this himself. At any rate your Financial Experts will be able to deal with him.

(d) Loan Conversion. You, and Francis Scott also, are well aware of the unsuccessful efforts we made in this direction.

(e) An Executive Council consisting of 4 officials and 4 unofficials. Might I urge caution over this. They brought the idea before Malcolm Hailey and he told them how impossible it was. (Are the four unofficials to be selected from the Elected members (most of them absolutely unsuitable...

unsuitable, for those who put themselves up for election are as a rule rather mediocre) or are they to be chosen from outsiders? The latter alternative would be the safer but there would, I anticipate, be opposition to such a radical change. In any event what is going to happen when the unofficials are over-ruled on a major issue? Are they still to support the Government or are they to resign? If they resign we shall have the same old difficulty — as we are having now — in replacing them.

(f) The White Highlands Order-in-Council.

Francis Scott knows perfectly well the difficulties which confront the Cabinet in this matter. It would be more statesmanlike on his part if he tried to prepare public opinion for the inevitable rather than inflaming it as he is now doing.

(g) Cowthorne Report. Francis Scott was a member of Executive Council when this Report was dealt with and is therefore well aware of the efforts Government has made towards helping these war block officers. He is not playing the game when on a public platform he criticises the

the action of the Kenya Government".

(h) Resignation from Executive Council.

Francis Scott's attempt to hoodwink the public by reading out at a political meeting extracts from the Royal Instructions is not very creditable. It would have been fairer if he had also read out para 145 (4) of the Colonial Office regulations and added that immediately the Secretary of State's permission was obtained the despatch was laid before Executive Council and that furthermore he was the first to be invited to sit on the proposed Committee.

In conclusion I would point out that Lord Francis Scott is by no means the accredited representative of public opinion in this Colony. As you are aware there, ^{even} has recently been a strong move to depose him on the part of some of his hitherto enthusiastic followers.

I presume that on the question of interviews, Mr. Thomas will be made acquainted with the contents of Sir Philip Cunliffe Lister's (Lord Swinton) Secret despatch of the 9th August, 1935.

7/5/36

G. O.

AIR MAIL

for any of last 7
22

Mr. Flood. 1-7.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

X Sir C. Dottomley. 2-7

Sir J. Shuckburgh.

Permt. U.S. of S. 2-7

Partly. U.S. of S.

Secretary of State.

DOWLING STREET.

2 July, 1860

C.D.
R 2-JUL
B 1

My dear Byrne,

Lord Francis Scott has been

here now and has seen me and Waffey
and the Flood
(twice) and the Secretary of State. No

record exists of the conversation with
the Secretary of State but we believe it
was in quite general terms. In his
talks with me and with Waffey the chief
points to which he directed attention
were:

1. The Highlands Order-in-Council.
We explained the difficulties and said
that the Order would have to be
simply defining boundaries.

2. The Bond scheme. He was very
keen on that but was finally told

~~that~~ after he had had a discussion
which we desired
with Sir John Campoell and Clauson, and
pointed out some of the difficulties,
that

DRAFT.

BRIG. GEN. SIR JOSEPH BYRNE,
G.C.M.G., K.B.E., C.B.

Lord F. Scott 26 June 1860
20 do 27 June (18)

FURTHER ACTION

that we did not consider the Bond scheme

sound, so that it would almost certainly not be adopted. Lord Francis then asked

that the alternative scheme of Conciliation

boards should be considered, the Board

having power to deal with unreasonable

members.

He mentioned the Dairy Control

Bill and the Maize Bill in regard to

which we told him that we had seen

considerable objections here to the

bills as published, and had asked that

they be referred for consideration

before they were actually introduced

into Council. Since then I have heard

from you that the Dairy Bill has been

referred to the Development Committee

and that the other is being further

considered. Lord Francis got the notion

that we had received objections from the

Indian community and we were at pains to

assure him that this was not the case.

*by which it is intended to command the Treasury Office
submitting the scheme to
Lord H.*

*was under the impression that the scheme was
not a serious proposal
and was only a
device to get the
Government to
take up the
bill.*

C O

Mr.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.

DRAFT

4. He talked about the conversion

of loans and had, we understand,

interviews with the Crown Agents and

with Strymgeour. They were not

encouraging to any scheme of conversion

and although Lord Francis had thought

that the big lenders might be prepared to

convert, it appeared on unofficial

sounding that the proposed terms of

conversion would be such as could not

possibly be accepted.

5. He raised the question of a

general native policy in Africa and

suggested that the same line could be

adopted in Kenya, the Rhodesias, and the

Union, but we had to point out that the

difference between Kenya and Southern

Rhodesia was deeper than a mere

be four bar and that so long as Rhodesia

tries to deal with native competition

by excluding natives, it would be

impossible to follow the same policy in

Kenya.

FURTHER ACTION

Indians in Kenya had no concern in the general affairs of the Colony and that

it would be impossible to put the clock

back. Perhaps you could let us know some time what the legislation is regarding emigration into Kenya. The bill and how through Members is of course not a
He raised, of course, the *safe journey*

question of the future of Tanganyika

and we think he realised that there was

really nothing that could be said here

at the moment, apart from what he has said in Ministers, may say in a out of Parliament

9. He was very anxious to know when

Sir Alan Pim's report was going to be

published. The answer to that is that

it is in the Press and the proofs are

being sent for correction as fast as

they come along. Final publication may

be held up a little by the need of

redrawing some of the maps which

(10, 11, 12, 13)
Sir Alan considers essential. He asked

about the London Office and we have now

got Colonel Walker's report on his

enquiry. You will be getting copies of

that soon and you will find that Walker

does not think that the ... serves

anything out of the ... purpose and

that

C/O

Mr.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson

Sir C. Bottomley

Sir J. Shuckburgh

Permit U.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.

that the Colonies do not realise how much value they do get for their money.

10. He discussed generally the Defence Force and we told him the situation. I think he is not at all as angry as he was some months ago, though he had said that the Committee, which is considering the Force, is looked upon as

cracked. The publication of the Committee's report will probably do a good deal to remove that kind of apprehension.

11. He mentioned the possibility of finding openings in Kenya for the sons of Kenya settlers, to which of course we told him that other things being equal there was no objection to the appointment of suitable candidates from among Kenyans. The difficulty was, however, that really suitable ones were not so very numerous and that competition was very keen. Kenya could

not

FURTHER ACTION.

not have it both ways and a situation where Kenya would be staffed by a large proportion of its own people, without other experience and without much hope of transfer, was not to be viewed with favour.

13. He also mentioned the *Mandarin* *Review* article. The of course is held up because it also has withdrawn its application for licence which action is due, not to the fact but to unopposed opposition. He has seen Sheeran of Belgian Embassy & Co and had a talk with him.

14. The only other point which has been raised is that of the Executive Council. It is too big, and somewhat open to unopposed elements except sense of responsibility. But it four and four. The last of eight would attend or engaged. The Governor's final decision would remain, but the unopposed would be found outside by what they had agreed to in the Co. They would never be given a hearing. I asked what would happen if they did not agree. He said that they would have to resign & the Governor would then find four other officials.

C. O.

Mr.
Mr.
Mr.
Mr. Perkins.
Mr. Tomlinson.
Mr. C. Dalton.
Mr. J. S. Blackburn.
Ex-Off. U.S. of S.
Party, U.S. of S.
Secretary of State.

DRAFT

and officials. I refrain from
saying whether the alteration
to be a satisfied moderate
would be hostile "wild men",
but I did say that I loathed
argument by innuendo and
that - unless any person to
disarm the world - I greatly
prefer his own

15. Mr. P. has also
to include - the letter
of Mr. J. - with the
letter from Mr. J. and
and the other

Yours sincerely,

(S) (mod) W. G. BOYDLEY

21
3
29th June, 1936.

Joe Scott

Thank you for your letters of the 26th.

I propose to take the points in order and answer them.

(a) A cable has been received (it reached the Office at the end of last week) on the subject of the Bond Scheme. With regard to that we are still waiting for the Treasury views and have not minded them.

I understand that they are expediting their reply.

(b) As regards the Kaitze Bill what happened was that when it was originally published in the Gazette for criticism we saw it here and examined it. Our people saw considerable objection to it in the form in which it was originally published, and therefore the Secretary of State suggested that it might be as well to let him have a copy of the Bill as finally decided upon before it was introduced. No representations were received on the subject from anybody, and the Secretary of State's

telegram

Lord Francis Scott.

telegram did not in fact say that representations had been made. When the Bill does come we will certainly not delay it, but, as you probably know, some sections of the community in Kenya do not view it with favour, and it was for that reason that we suggested that it should be referred here so as to get it on the right lines before anything definite was done.

(c) As regards the Dairy Produce Bill all we have seen so far is the original report of the Committee. As in the case of the Maize Bill we saw objections to it in the form in which it was produced and have asked that the same procedure might be adopted. We have since learnt that there are considerable objections which we understand have been answered by the Committee which considered the Bill, but what the present form of the thing is we simply don't know.

(d) With regard to the resident native labourers, the three Bills involve require a great deal of consideration since they mean a thoroughgoing revision of the existing enactments. I will see that they

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are not held up any longer than can be helped.

I hope that you will have a good journey back.

My best wishes.

Yours ever

(98) J. Waffers

P.S. In a letter which has just arrived from the Governor he told us that with regard to the Dairy Bill the opposition was so great that among the Unofficial Members the votes will be either equal or against the Bill. Sir Joseph said that he told the Elected Members this and said that he could not force the Bill through in the face of such opposition. They have accordingly asked that the matter be laid before the Board of Economic Development, which is being done.

He

He also mentioned the Malaria Control Bill and said that he had informed the Elected Members that the various objections had just been received and examined and that the Bill would be considered in Executive Council on the first opportunity.

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Notes on Lord Francis Scott's Memorandum.

(No doubt it will be necessary soon to prepare a Memorandum for the Secretary of State dealing with points arising out of the Kenya Land Commission Report, but for the present purpose the White Paper issued on that subject (Cmd.4580) will probably be sufficient.)

Page 1.

Relations with the Governor. Sir Joseph

Byrne's term of office since 1931 has coincided with the slump, with Kenya's special climatic difficulties, and a period of enquiry and flux. Lord Moyne's enquiry, the disputes over taxation, the Morris Carter Commission, and Sir Alan Pim's enquiry, coupled with recurring demands from the farmers for special treatment have meant necessarily some lack of definiteness on the part of Government and the impossibility of "Government by Agreement" such as prevailed in the more spacious days which preceded this period. Downing Street has necessarily figured in the picture very largely and that means caution and slowness to respond on the part of the Governor. There seems to be a general consensus of opinion that Sir Joseph Byrne has been badly served by his Private Secretary. His term of office is up in February, 1937. There is some latitude given to Governors as to whether they take their leave within the term of office, or enjoy it or some part of it later. We have not yet heard from Sir Joseph Byrne when he proposes to come home and Lord Francis Scott has been asked

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not to give any publicity to what he has been told about the probabilities, in order that the Governor may not get the first news of the date of his departure from unofficial sources. There would be no difficulty in our asking what his plans are, if it is so desired.

Some discussion has already taken place as to his successor. Admittedly, the place will be very difficult to fill. Undoubtedly the fair treatment of all sections is essential, but not more so than firmness and capacity to say "no".

Page 2.

Economic Questions. Kenya's difficulties before and during the world slump are admitted, and the farmers have put up a thoroughly good fight.

The proposal for the devaluation of the shilling is only incidentally mentioned and the departmental talks with Lord Francis Scott give no indication that he will raise it. The chief champion of devaluation is Major Grogan, who sees in it such a reduction of cost of production that export would be immensely encouraged and the whole country, native and European, be made prosperous, in spite of the additional shilling-cost of imported articles.

The proposal has been very fully examined here from the theoretical point of view, and a memorandum was prepared for examination from the standpoint of publication locally. It has been decided not to take this course, but a copy has been sent to the Governor for his use, if occasion arises. From the practical point of view, the chief

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objections are, (1) that the value of a labourer's wages would be reduced, not only in purchasing power of imported articles (and it is to the development of the taste for these articles that we must look primarily for an improvement in native standards), but also in meeting taxation, which, reckoned in the shilling, would undoubtedly have to go up; and, (2) that Kenya's external payments (public loan charges, leave pay, pensions, education of children, etc., and private purchase of goods from outside), are so heavy that the increase of exports necessary to meet them with depreciated shillings would be very great and would reduce the whole thing to a gamble.

*In order to meet external payments Government would have to increase taxation to match the depreciation.

It cannot be accepted that little has been done to help the farmers during the bad times. There have been agricultural advances, like permanent loans from the Land Bank, reductions of freight rates on the railway and, only this year, further arrangements for temporary advances to assist farmers (especially the coffee growers) to finance their operations.

*Nearly all Kenya's cash is locked up in these

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Bonds Scheme - This is a proposal for buying out mortgagees by means of Government bonds and taking over the mortgages on reduced terms by the Government of Kenya. We are told that the margin of loss to the Government would be infinitesimal. This has been to some doubt, and in any case the effect on Kenya's general credit must be measured not by the ultimate risk, but by the very large addition (at least £3 million) to its indebtedness.

At the moment the scheme has been referred to the Treasury and the Crown Agents for their views. It will then be submitted to the Secretary of State, but Lord Francis Scott, with whom it has been fully discussed, is aware that it is regarded with much misgiving in the Colonial Office.

Also: if Government is the sole holder of mortgages the temptation to go in for organized refusal to pay interest will be great. Then Government will be in an impossible position.

There is reason to believe that those interested are not merely concerned with the reduction of the debt burden. They have misgivings about foreclosure. They feel that as times improve and the value of the land rises, the mortgagee will prefer to foreclose and sell to a new man rather than to give the existing holder the chance of making good. No compromise on the bonds scheme (such as a Conciliation Board) to bring mortgagor and mortgagee together in order to settle the terms of a mortgage will be acceptable unless it is a combined, in some way, with the restraint of foreclosure for a period of years. We here do not believe that, so far as the Banks are concerned, the misgivings are well-founded.

Dairy Produce Control Bill. This was prepared by a Committee appointed to consider the whole question of the dairying industry. The report of the Committee, with their draft Ordinance, has been published, and our latest information is that the local criticisms have been so severe that no progress can be made until they are fully dealt with. It is hardly possible to say that the Colonial Office will support the passing of this Bill until it is known what the Bill will be.

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Maize Bill. This has been published in draft for criticism. It is open to many objections and we have asked the Governor to let us see it in whatever form is settled after local examination before it is introduced. It aims at full control and compelling maize purchasers to export a certain percentage. Now Kenya cannot at present prices produce maize for export at a profit; (Some few can but only a few) and that is the real objection.

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Conversion of Colony's Loans. This

concerns primarily the 25 million loan at 6 per cent issued in 1921, with first redemption date in 1946, and the 25 million 5 per cent loan issued in 1923, first redemption date in 1948. The question has been repeatedly examined from all points of view of making some arrangement which would reduce the present burden on the Colony in respect of these loans (which are almost entirely for railway purposes). Any conversion must be voluntary and the extra premium which would be necessary means a very large extra burden on the next generation. The next generation will have its own burdens to meet, but this does not carry conviction to the European community, who point out that the next generation will have the benefit of the services paid for out of these loans. There is the further objection to voluntary conversion - there must be some disturbance in the confidence of the investing public in these loans if the terms on which the loans were issued are varied in any way. The Crown Agents are naturally apprehensive of any step which might undermine the foundations of Colonial credit

credit generally.

A scheme is now under consideration for giving relief in the form of raising money to pay the Sinking Fund charges until the loans mature. It is anticipated that this gradual borrowing could be effected without going to the City and that therefore it would attract less notice among the investing public. We have not, in the discussions with Lord Francis Scott, mentioned this alternative, as it is not yet ripe for discussion. His information, that there will be any large demand for a long period conversion loan at 3 per cent, even with a substantial premium on the capital value, does not tally with what we have previously heard. The Crown Agents would be likely to be substantial investors in such a loan, but it is other Colonies' money that they would be handling and they could not be expected to be guided simply by the interests of Kenya.

Page 4.

Morris Carter Commission Report.

Generally, the delay in getting on with the work is due to the complexity of the subject. As will be seen from the White Paper (Cmd. 4580) it involves the recasting of the whole legislative basis of dealing with native lands, and that is not a matter that can be rushed. It may be found that we can get on with the Order-in-Council relating to the Highlands in advance of the Native Lands instruments, but this would be politically undesirable, as the pressure from those interested from the native point of view would be exactly in the opposite direction.

It is to be feared that the fact that

European

European elected members only supported the recommendation of the Commission on the understanding that the White Highlands would be secured (by which they mean security comparable with that to be given to the native reserves), will not be found conclusive. It is essential to avoid disturbing the administrative practice of thirty years, regarding the reservation of the Highlands to Europeans, by putting it on a statutory basis. This is not a question of subservience to India. We could not justify a statutory discrimination in the face of Japan in view of the Gongo Basin agreements and if the Japanese were admitted to the Highlands it would neither be possible nor reasonable to continue to exclude British Indian Subjects.

What His Majesty's Government are committed to under the White Paper is shown in paragraphs 9 and 10. They have accepted the Commission's proposals with regard to the "definition of the Highlands", and the recommendation that the "boundary" should be declared by Order-in-Council. The Commission's suggested definition is in the form of excluding native reserves and it is therefore difficult to give effect to it until the native reserves are finally adjusted under the other recommendations of the Commission. We have promised Lord Francis Scott that we will consider whether this difficulty amounts to impossibility or not.

As regards the last paragraph under this head of the memorandum - natives still residing on European farms - there has been much comment on this subject in the "Times" during recent weeks.

There

Cuttings annexed.

There are two points - under the Resident Native Labour Ordinance labourers enjoy an occupation right on a European farm during the period (annual) of their labour engagement. Some of these incorrectly described "squatters" have remained for a long time, and the question arises, (a) as to their ultimate future, and (b) as to the present difficulty from the increase of their stock encroaching on the land available for the European himself. The Commission would emphasise the character of the tenure as strictly a labour tenancy but at the same time they show how land can be provided elsewhere for resident labour when the labour tenancy comes to an end. There seem to be many people who consider that this resident labour has established a right to reside where it is, irrespective of the position of the European farm.

The second class of case is that of natives left on the land when the European grant was given. In the case of leaseholds, it was provided from the beginning (1902) that the concession was given minus any "islands" of native occupation and that the natives must not be disturbed if they do not want to leave. The Commission provide for dealing with these cases. The case of Scott and Bradshaw, referred to in the memorandum, is not yet before us officially. It appears to be, from what Lord Francis Scott has said, one of the old cases of freehold grants given free of native rights, and the presumption is that the native who now refuses to leave the farm (or more probably his father) was compensated by the Government before the freehold was given. We have no information on the subject.

This is not touched on in the "Times" letters.

38005/11/37
with Mr. Island
7/9/37

Squatters' Ordinance. The position

with regard to the resident native labourers has already been mentioned. The report of the Committee has been here some time, but it has not been possible to put forward final recommendations on this complicated matter. It will be taken up with as little delay as possible.

Native Policy. The question of a general

native policy in Africa was raised by Mr. Huggins, when he was here some sixteen months ago. He did not refer to it on his last visit. In discussion, Lord Francis Scott seemed to think that the whole difference between Kenya and Southern Rhodesia was that of a colour bar, but the matter goes deeper. Southern Rhodesia's most serious problem seems to be the competition of black and white in local markets, and her policy is or was one of complete racial segregation, subject to unskilled labour being allowed to go into the European parts to work on farms or in mines. We cannot prevent the problem of competition in local markets from arising in Kenya (it is not yet serious) but so long as Southern Rhodesia deals with it on the lines of excluding the natives from these markets, it is not likely that Kenya will be allowed to take the same line.

White settlement. This part of the

memorandum was discussed fully with Lord Francis Scott on Monday. He was told that there was no

foundation

foundation whatever for the idea that the Colonial Office was opposed to white settlement. The line taken with regard to Major Cawthorn's proposals for settlement of Indian Army officers in Kenya had been that, while Kenya could legitimately make known its undoubted attractions to European settlement, it could not, without taking on itself a grave responsibility for their future, give special inducements to Indian Army officers to take up serious farming in the country. Lord Francis Scott said that a different attitude had been taken in Northern Rhodesia, but in that case it was part of the plan that the advances to be given to immigrant officers must be covered by security to the satisfaction of the Government.

Page 7.

Indian question. The matter seems to have arisen out of the appointment of a Committee to enquire into alleged abuses in the collection of native taxation. In Executive Council it was decided to put Mr. Pandya on the Committee, but when the rank and file and the European elected members heard of it, they made a great protest and eventually matters were compromised by making the enquiry one into tax collecting generally.

It is hardly possible to admit that local Indians have no interest in the general affairs of the Colony. They have made their homes there just as much as have the Europeans. In any case, it is politically impracticable to put the clock back. On these questions generally the Europeans do not seem to realise that the best means of avoiding

interference

interference from India is to go slow on questions affecting the local Indians.

The figures show a return to India in 1932 & 1933 & a drift back to Kenya in 1934.

The question of controlling Indian immigration arose in 1923. It was found very difficult to check the figures (because movement through Mombasa is no guide to Kenya's share of the migration) and eventually the question dropped. It would be almost as difficult for the Government to raise the question, as one in which they were acting on behalf of the local Indians, as it would be for the Europeans to do so. The matter is still one probably best left alone, but, if desired, we would ask the Government officially what he thinks about it.

Page 7.

Tanganyika. Lord Francis Scott realised that nothing can be told him on this question. As regards the reference to what Sir Philip Cunliffe Lister said when in Kenya, I am afraid that, if the record is right, he slipped up. The reply in the House of Commons, to which he referred, did not contain "never would consider". As a matter of fact, although he wished to include these words, the then Prime Minister thought it undesirable.

With every sympathy with the local view it is going too far to say that no one but a lunatic could possibly consider refusing to allow Germany once more to have a footing in the middle of Africa.

Page 9.

Cost of Government Commission. There will be no lack of expedition in dealing with Sir Alan Pim's report. It is badly needed in Kenya, which is now carrying on on a provisional budget.

London

Page 9.

London Office. I am afraid that all contributing Governments consider that they are not getting their money's worth. None of them would wish to be without some representation in London, and a central arrangement is, in the long run, the best that can be devised. It is quite possible that Colonel Walker (the retiring Secretary to the Governors' Conference) will find the London Office does much more work for the Dependencies than they realise. In fact he has said as much.

Page 9.

Episcopacy. This is not the affair of the Department and we have no means of dealing with it.

Page 9.

Defence Fo See separate note.

Page 10.

Constitutional advance. The Executive Council is certainly unwieldy and it is quite possible that some heads of departments would feel that they had a freer hand to express their views if they attended as expert witnesses, and not as members of the Council.

The proposal that unofficials (i.e. European unofficials) should have an equal voice with the official members of Executive Council involves a great risk of breakdown. The unofficials would only bear the responsibility for policy and defend it publicly so far as they felt inclined. Lord Francis Scott recognises that on a serious difference of opinion the unofficial members would resign. They would be the judges of what was a

serious difference of opinion, and it is only too likely that they would regard in this light any case in which the Governor found it necessary to go counter to purely European interests. The idea of replacing resigned unofficials by other unofficials of a different political complexion is illusory. The first Executive Councillors would be chosen from the more moderate party and to replace them by wild men would be quite hopeless.

It is obvious that, as things are now, the revision of the constitution on these lines would be opposed by all those persons and bodies who ally themselves specially with native interests, and probably Indian interests would also have something to say.

There is no encouragement towards this sort of experiment while unofficials are attached to the Vigilance Association. When one comes to think of it, there is no knowing how much of our talks here Lord Francis Scott is under commitment to divulge to the Vigilance Association on his return.

KENYA DEFENCE FORCE.

The Kenya Defence Force, as it stands, was set up after a good deal of correspondence, at this end in order to provide some means of utilising the European man power of Kenya. It is independent of the King's African Rifles and so far has been very much independent of Government control. It functions under its own Commandant (General Lewin) and has District Commandants who have quite wide discretion in calling in out for training, etc. Rifles for them were provided by Government and were issued, but of course supposed to be kept on charge.

The training of the Defence Force has never been regarded as very satisfactory. It has always been sketchy in the extreme and the Governor's military advisers have always been of the opinion that the Force was of no value whatever as a force. Accordingly, after considerable discussion here the conclusion was reached that a suitable opportunity should be taken to remodel it. The question arose as to what would be a suitable peg on which to hang a despatch dealing with the Defence Force reorganisation and, eventually, the Governor sent in a despatch covering the report of the Committee which he had appointed to examine the state of the Defence Force stores. The despatch was sent in ^{September} ~~December~~ 1955 and in it the Governor expressed his opinion that the only sound policy to be followed was the ~~disbandment~~ ^{disbanding} of the Force. He agreed with the view which had been expressed in 1954 that the Force was of negligible military value and potentially a source of danger, and he asked for ~~urgent~~ ^{urgent} instructions to be given from here to abolish the Defence

Force and replace it by a volunteer unit with compulsory powers in reserve. The fact that the Government had been thinking about the Defence Force for some time was well known in Kenya, and in January of this year a motion was moved in the Kenya Legislative Council asking for information as to how it stood. The Colonial Secretary stated that it was proposed to appoint a Local Committee to examine any instructions or suggestions they received from the Secretary of State in order to secure the fullest possible measure of local co-operation. Eventually, a despatch was sent on the 5th of February stating that the Secretary of State had come to the conclusion that the best and, indeed, the only possible course, was to disband the Defence Force and replace it by some more suitable military organisation which would enable the potential man power to be utilised in the best possible way. The Governor was invited to prepare draft legislation which could be considered for the purpose of carrying out the necessary changes. On receipt of the despatch the Governor asked whether he might publish it in order to minimize political agitation and to enable him to appoint a Committee to advise and the Secretary of State said that he had no objection to publication but he had intended to take the advice of the APAC Council before the matter was finally settled, which he was sure the Governor would agree with. This was added in order to make it quite clear that what was aimed at was to get the best possible unit in Kenya, after full discussion.

Then the two elected unofficial European members on the Executive Council proceeded to resign. According to the Governor's private letter of the 8th of March he

referred

in Council)
referred to the Secretary of State's despatch and said he wanted to set up his Committee. Upon this Lord Francis Scott lost his temper and was excessively rude to the Governor, so much so that the official members sent a note up to His Excellency expressing their sense of disgust at Lord Francis Scott's behaviour. In a letter dated the 12th of March the Governor informed us that the leading unofficials appeared to be disgusted with the attitude of Lord Francis. In his letter of the 8th of March the Governor had pointed out that the extremists would make trouble but said that, provided a firm attitude was maintained the trouble would not last long because all the sensible people in Kenya would support him.

On this basis it is possible to consider Lord Francis Scott's note. It is really an attempt to reverse the considered policy. The indignation and distrust are almost certainly confined to the extremist section of the Kenya politicians. As regards the Committee, Lord Francis himself was invited to serve upon it and the elected members were asked for suggestions. They cannot therefore complain of the composition of the Committee after having refused to serve on it. The fact that the Defence Force was under consideration was common property in Kenya and there was no need to get excited or to be rude to the Governor, though it is perhaps a pity that publication of the despatch was not delayed until after it had been shown to Lord Francis in Council. The Committee which has been appointed is probably the best that could be got in the circumstances, in the face of the refusal of the elected members to co-operate, and whatever happens some change in the Defence Force is necessary if it is to be a real asset to.

to the Colony and a useful factor in defence.

It is quite true that the effective occupation of Abyssinia has created an entirely new set of problems. These relate to not only the defence of Kenya, but the whole strategical situation in the Red Sea and the Indian Ocean. A great deal must depend on what the Italians aim at in the way of a garrison or troops in Abyssinia. At present they have an enormous white force with a tremendous mechanisation and a large Air Force as well, so that they could produce a military effort far beyond anything that Kenya or any Colony in Africa could put up against them. The view taken by the extreme settler community is that the defence of Kenya is an Imperial function to which they ought not to be expected to contribute. As it is, Kenya is doing so, either by providing the nucleus of a defence for the port of Kilindini, but that is more a naval matter, and if the defences of Kilindini are to be elaborate a great amount of expense will be required and the cost will be such that the Colony ought not to be expected to afford it. It may well then be that some form of military assistance will be required. Whether such assistance can be provided best by air or otherwise remains to be seen.

There is one thing which must be borne in mind and that is this. Lord Francis Scott, in a sense represents the more extreme political section in Kenya. He is not a Left Winger himself, but he does represent the politically minded element. We are told on the other hand that they are losing ground in the Colony and that people are actually beginning to laugh at them. In that case, there is at any rate a probability that Lord Francis Scott's rush to England is a sort of last despairing effort in the hope of getting something. He urges that it is necessary that he should go back with something in his hand, but if he does, he will proceed to make political capital out of it and embarrass the Government which will be faced with the situation that everybody will immediately want to send deputations to this country. In the past, Kenya has been far too much governed from England. This was inevitable, but with Kenya's developing resources there is at any rate reason to hope that it can be more governed through the Governor than it has been in the past. The abuse of the Governor is unfortunate but I may venture to point out that Sir Joseph Byrne is the first real attempt at a Governor which Kenya has ever had, with the exception of Sir Robert Coryndon who unfortunately was not there long enough. Sir Joseph Byrne has endeavoured to fulfil his duty without fear and without favour, and in very difficult times he has had a substantial record of sound government and he has rendered a very great degree of assistance to the European settlers for which they ought to be, but are not, grateful.

*It was his intention
to visit in some
capacity in the
field to meet him
immediately to
attend*

*J. M.
off.*

Another thing, is that whatever may be said

Kenya is not of itself important in the scheme of things. If all Kenya's trade were plottted out tomorrow the Empire would not be a halfpenny the worse. The fact that a man goes and lives in Kenya does not ipso facto qualify him to be regarded as a superior being who must be assisted whenever he gets into hot water, but to read some of the things that are produced one would think that the contrary view was widely held.

Draft

52

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~~The~~ scheme is now under consideration for giving relief in the form of raising money to

pay.

pay the Sinking Fund charges until the loans mature. It is anticipated that this gradual borrowing could be effected without going to the City and that therefore it would attract less notice among the investing public. We have not, in the discussions with Lord Francis Scott, mentioned this alternative, as it is not yet ripe for discussion. ~~This~~ information that there will be any large demand for a long period conversion loan at 3 per cent., even with a substantial premium on the capital value, does not tally with what we have previously heard. The Crown Agents would be likely to be substantial investors in such a loan, but it is other Colonies' money that they would be handling and they could not be expected to be guided simply by the interests of Kenya.

Page 4.

Morris Carter Commission Report.

Generally, the delay in getting on with the work is due to the complexity of the subject. As will be seen from the White Paper (Cmd. 4580) it involves the recasting of the whole legislative basis of dealing with native lands, and that is not a matter that can be rushed. It may be found that we can get on with the Order-in-Council relating to the Highlands in advance of the Native Lands Enactments but this would be politically undesirable, as the pressure from those interested from the native point of view, would be exactly in the opposite direction.

It is to be feared the fact that European elected members only supported the recommendation of the Commission on the understanding that the White Highlands would be secured (by which they

they mean security comparable with that to be given to the native reserves), will not be found conclusive. It is essential to avoid disturbing the administrative practice of thirty years, regarding the reservation of the Highlands to Europeans, by putting it on a statutory basis.

This is not a question of subservience to India. We could not justify a statutory discrimination in the face of Japan in view of the Congo Basin ^{agreements} ~~conventions~~ and if the Japanese were admitted to the Highlands it would neither be possible nor reasonable to continue to exclude British Indian subjects.

What His Majesty's Government are committed to under the White Paper is shown in paragraphs 9 and 10. They have accepted the Commission's proposals with regard to the definition of the Highlands and the recommendation that the boundary should be declared by Order-in-Council.

~~That~~ ^{Annexure} suggested definition is in the form of excluding native reserves and it is therefore difficult to give effect to it until the native reserves are finally adjusted under the other recommendations of the Commission. We have promised Lord Francis Scott that we will consider whether this difficulty amounts to impossibility or not.

As regards the last paragraph under this head of the memorandum - natives still residing on European farms - there has been much ^{comment} ~~comment~~ on this subject in the "Times" during recent weeks. There are two points - under the Resident Native

Labour

things emerge

Labour Ordinance labourers ~~may~~ enjoy an occupation right on a European farm during the period (annual) of their labour engagement. ^{Some of} These incorrectly described "squatters" have remained for a long time, and the question arises, (a) as to their ultimate future, and (b) as to the present difficulty from the increase of their stock encroaching on the land ^{available for} the European himself. The Commission would emphasize the character of the tenure as strictly a labour tenancy but at the same time they show how land can be provided elsewhere for resident labour when the labour tenancy comes to an end. There seem to be many people who consider that this resident labour has established a right to reside where it is, irrespective of the position of the European farm.

The second class of case is that of natives left on the land when the European grant was given. In the case of leaseholds, it was provided from the beginning (1902) that the concession was given minus any "islands" of native occupation and that the natives must not be disturbed if they do not want to leave. The Commission provide for dealing with these cases. The case of Scott and Bradshaw referred to in the memorandum is not yet before us officially. It appears to be, from what Lord Francis Scott has said, one of the old cases of freehold grants given free of native rights, and the presumption is that the native who now refuses to leave the farm (or more probably ^{the} ~~the~~ farmer) was compensated by the Government before the freehold was given. We have no information on the subject.

Page 5.

Squatters' Ordinance. The position

with regard to the resident native labourers has already been mentioned. The report of the Committee has been here some time, but it has not been possible to put forward final recommendations on a complicated matter. It will be taken up with as little delay as possible.

Page 5.

Native Policy. The question of a general

native policy in Africa was raised by Mr. Huggins when he was here some eighteen months ago. He did not refer to it on his last visit. In discussion Lord Francis Scott seemed to think that the whole difference between Kenya and Southern Rhodesia was that of a colour bar, but the matter goes deeper. Southern Rhodesia's most serious problem seems to be the competition of black and white in local markets, and her policy is one of complete racial segregation, subject to unskilled labour being allowed to go into the European parts to work on farms or in mines. We cannot prevent the problem of competition in local markets from arising in Kenya (it is not yet serious) but as long as Southern Rhodesia deals with it on the lines of excluding the natives from the general markets, it is not likely that Kenya will be allowed to take the same line.

Page 5.

White settlement. This part of the

memorandum was discussed fully with Lord Francis Scott on Monday. He was told that there was no

foundation whatever for the idea that the Colonial Office was opposed to white settlement. The line taken with regard to Major Cawthorn's proposals for settlement of Indian Army officers in Kenya had been that, while Kenya could legitimately make known its undoubted attractions to European settlement, it could not, without taking on itself a grave responsibility for their future, give special inducements to Indian Army officers to take up serious farming in the country. Lord Francis Scott said that a different attitude had been taken in Northern Rhodesia, but in that case it was part of the plan that the advances to be given to immigration ^{at} office must be covered by security to the satisfaction of the Government.

Life insurance was that was adopted which is our satisfactory. Kenya can't get cash to make use of the money and if the bank did this would be a case available for its open file

Page 7.

Indian question: The matter seems to have arisen out of the appointment of a Committee to enquire into alleged abuses in the collection of native taxation. In Executive Council it was decided to put Mr. Pandya on the Committee, but when the rank and file and the European elected members heard of it, they made a great protest and eventually matters were compromised by making the Enquiry one into tax collecting generally.

It is hardly possible to admit that local Indians have no interest in the general affairs of the Colony. They have made their homes there just as much as have the Europeans. In any case, it is politically impracticable to put the clock back. On these questions generally, the Europeans do not seem to realise that the best means of avoiding interference from India is to go slow on

questions

questions affecting the local Indians.

The question of controlling Indian immigration arose in 1923. It was found very difficult to check the figures (because movement through Mombasa is no guide to Kenya's share of the migration) and eventually the question dropped. It would be almost as difficult for the Government to raise the question as one in which they were acting on behalf of the local Indians as it would be for the Europeans to do so. The matter is still one probably best left alone but if desired we could ask the Government unofficially what he thinks about it.

The figures...
national...
1923...
1934

Page 1

Tanganyika

Lord Francis Scott realises that nothing can be told him on this question. As regards the reference to what Sir Philip Cunliffe-Lister said when in Kenya, I am afraid that if the record is right, he slipped up. His reply in the House of Commons, to which he referred, did not contain "never would consider". As a matter of fact, although he wished to include those words, the then Prime Minister, thought it undesirable.

With every sympathy with the local view, it is going too far to say that no one but a lunatic could possibly consider refusing to allow Germany once more to have a footing in the middle of Africa.

Page 2

Cost of Government Commission.

There will be no lack of expedition in dealing with Sir Alan Pim's report. It is badly needed in Kenya, which is now carrying on on a provisional budget.

London

Page 9.

London Office. I am afraid that all contributing Governments consider that they are not getting their money's worth. None of them would wish to be without some representation in London, and a central arrangement is, in the long run, the best that can be devised. It is quite possible that Colonel Walker (the retiring Secretary to the Governors' Conference) will find the London Office does much more work for the Dependencies than they realise.

Page 9.

Episcopacy. This is not the affair of the Department and we have no means of dealing with it.

Page 9.

Defence Force. See separate note.

Page 10.

Constitutional advance. The Executive Council is certainly unwieldy and it is quite possible that some heads of departments would feel that they had a freer hand to express their views if they attended as expert witnesses and not as members of the Council.

The proposal that unofficials (i.e. European unofficials) should have an equal voice with the official members of Executive Council involves a great risk of breakdown. The unofficials would only bear the responsibility for policy and defend it publicly so far as they felt inclined. Lord Francis Scott recognises that on a serious difference of opinion the unofficial members would resign. They would be the judges of what was a serious

serious difference of opinion, and it is only too likely that they would regard in this light any case in which the Governor found it necessary to go counter to purely European interests. The remedy of replacing resigned unofficals by other unofficals of a different political complexion is

Illusion

hopeless. The first Executive Councilors would be chosen from a more moderate party and to replace them by wild men would be quite hopeless.

It is obvious that as things are now the repeal of the constitution on these lines would be opposed by all those persons and bodies who ally themselves specially with native interests, and probably Indian interests would also have something to say.

There is no encouragement towards this sort of experiment while unofficals are attached to the Vigilance Association. When one comes to think of it there is no knowing how much of our talks here Lord Francis Scott is under commitment to divulge to the vigilance Association on his return.

3rd June, 1936.

In the following document I am trying to put together a brief summary of the chief subjects which I am anxious to deal with whilst I am over here in London.

PRESENT POLITICAL IMPASSE IN KENYA

Nearly everyone in Kenya is tired of the perpetual friction and troubles which go on all the time between Government and the unofficial community. We are all very anxious to try and really devote energies towards improving the financial and economic position of the Colony and of all the inhabitants thereof, but under the present system of Crown Colony Government it is extremely difficult to prevent subjects of friction continually arising. With a really understanding and sympathetic Governor it might possibly be made to work, but unfortunately during the last five years our Governor has shown exactly the opposite attitude, which has resulted in continuous altercations, however much we may have wished to avoid such.

I understand from the Colonial Office that probably Sir Joseph Byrne will leave the Colony next October, and will then have four months' leave till February 1937, when the new Governor will take over office. In the meantime presumably the Colonial Secretary, Mr. Wade, will be Acting Governor. As he will have to deal with the next Budget Session, which usually begins towards the end of October, I should have thought it would have made it easier for him if the Governor proceeded

/on

on leave somewhat earlier. However, I do believe that it is all-important for the future of Kenya and of East Africa generally, that the next Governor should be a man of broad, imperial outlook - a man of the world, and one who can deal with people frankly and sympathetically. So much depends on this new appointment that I am sure you will take every care to see that we get the best possible person.

ECONOMIC QUESTIONS

There can be no dispute that the land in Kenya is the source of all wealth, whether it produces gold or agricultural products. Gold will undoubtedly be of considerable assistance in the near future, but the main structure of the Colony must depend on agricultural products. During the last few years the European farmers in Kenya have gone through a very bad time, due to the catastrophic fall in the world prices of primary products. In the case of Kenya this has been accentuated by drought and locusts. We have now reached a stage when the outlook is slightly better for most products, with the exception of maize. Owing to lack of funds such as provided by gold mining in South Africa, and the fact that our currency is linked with the currency of Great Britain, and so was not allowed to be devaluated, little has been done to help the farmers through these bad times, with the result that, whilst they have with difficulty been able to keep going, they are nearly all sadly handicapped by heavy

loads of debt. It is agreed on all sides, both official and unofficial, that it is of the greatest importance to Kenya to keep as many of these farmers as possible on the land. They have learnt their lessons at somewhat heavy cost, and are now of very much greater value to the country than they were ten or fifteen years ago. So as to assist them the Government have adopted some measures recommended by the Agricultural Indebtedness Committee, but we feel strongly that something further must be done to ameliorate this very heavy load of debt.

We have therefore put up as a possible method of doing this a Government Negotiable Bond Scheme. This scheme is now under consideration by the authorities at the Colonial Office and the Treasury, and I do trust that it will not be turned down lightly without the fullest consideration, as it is of such very great importance to the producers in Kenya.

Other measures which are being brought forward in Kenya for helping producers are the Dairy Produce Control Bill and the Control of Trade in Maize Mill. I trust that the Colonial Office will support the passing of these Bills when they come before them.

CONVERSION OF COLONY'S LOANS

Another question which has been exercising us for a long time is the heavy load of interest on the Colony's loans which we have to bear. It is realised that any Conversion Scheme

must be on a voluntary basis, and that therefore terms must be offered which are likely to attract holders to convert. Generally speaking, it seems that it would be possible to offer a premium of 30% on the capital, bearing 3% interest, with a sinking fund to sink off the premium ~~of~~ the capital. Holders who only consider the income they get from their investments will not be tempted by such an offer, but on the other hand I am informed by reputable people in the City that the appreciation of capital would appeal to other sections of holders. As I understand the Crown Agents are the largest holders of our 6% and 5% loans, I hope the Colonial Office will bring as much pressure to bear as possible to induce the Crown Agents to support any such Conversion Scheme which might be devised for the purpose of lightening the burden of Kenya.

MORRIS CARTER COMMISSION REPORT

It is now nearly two years since the House of Parliament approved the recommendations of the Morris Carter Commission and yet the recommendations contained therein have not yet been implemented. This delay is having a very disturbing effect in Kenya, as it is all-important to put at rest all feelings of insecurity with regard to land on the side of both the natives and the European settlers. In supporting the recommendations of this Commission European Elected Members in Kenya made it very clear that their support was entirely contingent on the implementation of the recommendation to

/secure

secure the White Highlands by Order in Council. We feel very nervous that the Colonial Office may take a weak line in this respect in deference to the pressure brought to bear by the India Office and the Government of India, and I do urge that this question may be dealt with finally and completely at the earliest possible time.

Doubts with regard to the procedure to be adopted in respect of the Order in Council have been raised by Mr. Thomas's statement in the House of Commons a short while ago, that it would be a subject for discussion on the Colonial estimates. We do not quite know what this means, as we understood that such an Order in Council was outside the purview of the House of Commons. Can we be satisfied on this point?

Another question which is very urgently needed to be settled is that of natives still residing on European farms. Until Government take definite action in this respect there are bound to be some cases of difficulty on farms in Kenya. I should like to draw attention to a particular case in respect of a farm at Limuru owned by Messrs. Scott and Bradshaw.

SQUATTERS' ORDINANCE

A considerable time ago a committee in Kenya made a report recommending the amendment of the Resident Native Labourers' Ordinance. Nothing further has happened with regard to this and we want to know what is the position in this respect.

NATIVE POLICY

Generally speaking, the policy of European Elected

Members with regard to native policy is that the native reserves should be developed as much as possible on some very definite line of policy and that the natural development of native institutions should be pursued. At the same time it seems important at the present moment, when the question is so prominent in the Union of South Africa, and the Rhodesias, that if possible some general line of native policy suitable to the needs throughout Africa should be adopted.

WHITE SETTLEMENT

We believe that, from every point of view, whether that of the economic position of the country or the Imperial point of view in relation to recent events in Africa, at the present moment a definite move should be made to increase White Settlement. The price of land is low now. Agricultural industries have organised themselves and farmers have learnt by bitter experience the best and most economic way of producing and marketing their crops. Such a time must be the best for new settlers to start in and take their share in developing the country, if they are wise enough to take advantage of the lessons learnt by earlier settlers. With the probability of a strongly populated Italian Abyssinia in our north, it is obviously essential that Kenya should have as large a population of British Europeans as it is possible to carry. Unfortunately a recent dispatch from the Colonial Office with regard to the Kenya Government's proposals dealing with Major Gathorne's report has caused great misgivings, and

the belief that the Colonial Office is antipathetic to further White Settlement. We trust this question can be frankly and fully dealt with.

INDIAN QUESTION

This question is causing a certain amount of anxiety through the infiltration of Indians into various committees and other bodies where formerly they had no representation. We take the line that, whilst the interests of Indians should be safeguarded by representation on Legislative Council, they have no just claims to any share in the executive administration of the Colony. At the present time there is such an increasing population of Kenya-born Indians that in their own interests we believe some system of control of immigration of Indians from India should be adopted - possibly by trade. If this is not done there will be a rising generation of Indians who have never been out of Kenya and will be unable to find any jobs. If this question was brought up openly by European Elected Members it would be suspect as a political stunt on our part, but in fact it is a matter which may be of very serious importance to the Indian community in the near future.

HANDSHAKES

The very half-hearted replies given by the Prime Minister and other members of the Cabinet on the question of Handshakes has caused very great perturbation and distrust amongst all sections of the communities in Eastern Africa. In view of

the very unequivocal statements made in the past by responsible ministers that Tanganyika would never go back to Germany, or out of the British Empire, statements on the strength of which many of our own Nationals have made their homes and put their all into Tanganyika, it seems inconceivable that the Home Government could possibly contemplate betraying the people in Eastern Africa now by going back on their former pledges. There is no question that the uncertainty which has recently been engendered on this subject is having a most deterrent effect on the investment of capital for the development of Tanganyika, and I do trust that some more definite reassurance may be given which will allay these misgivings.

Speaking to the Kenya European Elected Members in Nairobi in January 1934, Sir Philip Cliffe Lister stated: "It is quite unnecessary for me here to say anything about the Tanganyika position. I stated in the House of Commons before I left England that His Majesty's Government had never considered, were not considering, never would consider, any surrender of the mandate of the Territory. I think everybody knows and realises that to the full."

That is a very different statement from what has recently been given to questions in England. Apart from all pledges, etc. surely no-one but a lunatic could possibly consider allowing Germany once more to have a footing in the middle of Africa purely from the strategic point of view. It would not lead to peace in the world, but to war, and an enormous increase

of expenditure on the part of the British Empire.

COST OF GOVERNMENT MACHINE

I am not dealing now with the question of the reduction of expenditure, as that would be fruitless in view of the early publication of Sir Allen Pim's report, which I understand is now in the hands of the printers. I trust the publication of this report may be expedited as much as possible, so that it can be public property at the earliest possible moment.

LONDON OFFICE

We hope that as the result of Colonel Walker's enquiry the position of the Kenya representative, Colonel Knagge, at the London Office, may be put on a proper footing, as the present arrangement is very unsatisfactory, and we consider we are not getting our money's worth from the amount of money which we spend yearly on the central part of that Office.

EPISCOPACY

I have been asked to bring forward the question of a new Bishop for Mombasa. It is felt by many who are interested in religion that the new Bishop should be a man of broad and strong views, and not necessarily belonging to the C.M.S.

DEFENCE FORCE

The manner in which the question of the Kenya Defence Force has been treated by the Governor of the Colony and the Secretary of State has caused very great indignation and distrust.

A committee is now sitting, but it is a committee that does not carry great confidence, as it is looked on as a packed committee, attempting only to hear packed evidence. Many of us have very strong views on this subject, which directly conflict with the views held by the Governor and the last Secretary of State.

Owing to the occupation of Abyssinia by Italy, the question of the defence of Kenya has taken on a new complexion and must be considered in the light of the new position. This is a matter which I should like to discuss.

CONSTITUTIONAL ADVANCE

It is generally felt that the system of Crown Colony Government as practised in the past, is no longer suitable when applied to Colonies with a large white population such as Kenya or Northern Rhodesia. We realize the difficulties with mixed races in introducing a system of complete self-government. Therefore we have tried to evolve some scheme which may satisfactorily associate the European community established in the Colony with the powers and responsibilities of the Government of the Colony. Various suggestions have been put forward in the past, but none have quite met the case. Personally I believe that the unofficial community, being the driving force in the Colony, definitely have a right to a more active share in the control of the policy of the Colony. If we are to have this I believe we must be prepared to shoulder a share of responsibility. I therefore suggest that the right place to start changes is in the Executive Council rather than in the

Legislative Council. The present Executive Council is somewhat unwieldy, consisting as it does of thirteen members, including the Governor. I do not believe that it is necessary to have all the Heads of the Technical Departments on Executive Council, and in fact I think they can put up their cases for their own departments better if they appear as witnesses and advocates before Executive Council, rather than as judges in the case.

I therefore propose that Executive Council in the future should be altered so as to consist of the Governor, with about four of his senior officials and four unofficials - that this body should really constitute the Executive of the country and should be responsible jointly for all policies adopted. If possible I should like to see departments linked up under a minister who would represent them on Executive Council and on Legislative Council. In some cases such ministers could be unofficials. In this way the unofficials would definitely be part of the Government, and as such would have to bear the responsibility for Government policy and defend it in public. If this was done the need for official majority in Legislative Council would disappear, as Government could always count on the support of a proportion of the unofficials. This would do away with a straight out division between officials and unofficials and no doubt would lead to two parties arising amongst the unofficials of the Colony, which would not be an unhealthy development.

The objections put up to such a scheme are that the

unofficials who were part of the Government would have a dual allegiance to Government on one side and their constituents on the other. Personally I do not believe that this is a very real difficulty. There is not so much difference really in the policy of Government and the unofficial community, and if unofficials were definitely linked up with Government in this way, their attitude towards political and financial questions would no doubt be considerably altered. Of course should a really serious difference of opinion arise between the Governor and his unofficial members of Executive Council the latter would have to resign. It might be possible to replace such members by other unofficials who did not agree with them politically, but in any case one really would be no worse off than one is to-day, and personally, given a sympathetic and understanding Governor, I do not believe such an event would ever occur.

I put this forward as a definite method of Constitutional Advance, which entails very little alteration in the constitution and yet would have the desired effect of definitely associating the unofficial community and the Government of the Colony.

To summarise the main points in the foregoing memorandum I should like to enclose the following questionnaire under twelve separate headings:-

- (1) Is it possible to curtail present Governor's tenure of office? If not, will Colonial Office give a guarantee anyhow to give Kenya the best man available?
- (2) Definite answer as to Colonial Office view on bond scheme.
- (3) Any possibility or usefulness in having voluntary conversion of loans.
- (4) When will Morris Carter report be fully implemented? What form will Order in Council take?
- (5) What has happened about reports on Resident Native Labourers' Ordinance?
- (6) Will further immigration of Indians be restricted?
- (7) What is the attitude of the Imperial Government towards increased White Settlement?
- (8) Can a more definite statement about the future of Tanganyika be given?
- (9) When will Sir Alan Pim's Report be available?
- (10) Can I have discussion with Colonel Walker at Colonial Office on the subject of London Office?
- (11) What are the views of Colonial Office with regard to Defence of Kenya under new conditions?
- (12) What does the Secretary of State think of my Constitutional Advance proposals?

11, SPINNE WHITTEHALL 152A.
12, BODRAN CHURCHMAN LANE.

29/6/36
QUEEN ANNES LODGE
WESTMINSTER,
LONDON, S W 1

Dear Maffly
Further to my letter of Sat.
I have just received the copies of the cable
& letter which our people asked you to
send about the bond scheme, & which I
send on for your information in case you
have not yet received them, though I
understand you agreed to forward them.
One other matter. Would you be willing
to see a Mr Shearer some time who is
a partner in Messrs Delfino Beatty & Co
finance the Electric Light Company in
Kenya. He is very dissatisfied with the
treatment they are receiving from the Govt of
Kenya & has withdrawn an offer to spend
a further $\frac{1}{4}$ million £ out there in consequence.
He is very anxious to see you, but says he

do not know you

Yr James Cott

E/G.L.

19th June,

6.

The Hon'ble the Colonial Secretary,
The Secretariat,
Nairobi.

Sir,

In accordance with the conversations which took place on June 17th during the interview granted by His Excellency the Governor to a Deputation from the European Elected Members' Organization, I have the honour to attach hereto the text of a short telegram which I understand His Excellency the Governor is prepared to forward on our behalf. I would, however, also ask you to request His Excellency to forward a copy of this letter to the Secretary of State by the first available air mail as being supplementary to and explanatory of the telegram.

In view of the necessity of devising some adequate means for contractual adjustment and long term relief of agricultural indebtedness, European Elected Members would urgently press for the early decision of the Secretary of State on the proposed Bond Issue Scheme which was sent home under cover of His Excellency the Governor's Despatch No. 188, dated the 9th of April.

The European Elected Members consider that the Farmers' Assistance Bill, which was passed by Legislative Council last Wednesday, does in fact provide the machinery essential for such a Bond Scheme or its equivalent, but falls short of what is really required in that the funds, to the application of

which the Bill refers, will in practice only provide seasonal short term credit to remedy the existing collapse of the ordinary methods of short term finance, especially in respect of coffee. Although the Farmers' Assistance Bill does establish Local Boards and a Conciliation Board, it limits the activities of such to the granting of short term assistance and the issue of a stay order of short duration subject to the agreement of the majority of the creditors, but it does not visualize the necessary provision of funds or of any negotiable instrument which can be offered in order to induce an equitable composition and long term cooperation by creditors. It must be borne in mind that the Farmers' Assistance Bill emanated from Interim recommendations of the Agricultural Indebtedness Committee, which Committee in its Interim Report stressed the necessity for also providing long term finance, but on account of its inability to make definite recommendations on this subject at that stage of its deliberations. This problem was therefore further investigated by the Standing Board of Economic Development subsequent to and resulting from this Interim Report of the Agricultural Indebtedness Committee, and as a consequence the Bond Issue Scheme was evolved and submitted for comment to the Secretary of State.

Pending approval of the Bond Scheme, Elected Members feel that steps must be taken immediately to endeavour to devise some alternative equivalent method of establishing some suitable

machinery for the composition of debt and its conversion in terms of time and interest rate to the benefit both of the creditor element and of the agricultural industry of the Colony.

I have the honour to be,

Sir,

Your obedient servant,

FCS

Acting Chairman.

CABLE TO SECRETARY OF STATE.

Elected Members request early reply to Bond Issue proposals stop They regard either this or some equivalent measure as an essential corollary to Farmers' Relief Bill in scheme Agricultural reconstruction.

TELEPHONE: WHITEHALL 1824.
TELEGRAMS: GIBBONS&PAUL LONDON.

QUEEN ANNE'S LODGE,
WESTMINSTER,
LONDON, S.W. 1

FS/RB

26th June, 1930.

Sir John Maffey, G.C.M.G., K.C.B., K.C.V.O.
12, Eccleston Court,
S.W. 1.

Dear Maffey,

Since our talk yesterday I received letters from
Kanya in which the following points were made:-

(A) That the Elected Members had sent a cable
to the Colonial Office through the Governor about the Bond
Issue Scheme. Can you tell me what has happened with regard
to this?

(B) The Governor informed Elected Members that he
had received a telegram from the Secretary of State informing
him that representation had been made objecting to the Maize
Quota Bill, and that the bill was to be forwarded to the
Secretary of State for his examination and approval prior
to its introduction into Legislative Council.

Surely any objections should have been put through
the Governor in the ordinary method of procedure, and we
strongly protest if, as we suspect, these representations
from Indians forwarded through the India Office, and ignoring
the proper channels by which they should be sent through the
Governor. It is very urgent that this Bill should be passed
by September at the latest, as otherwise it will not be able
to come into operation for next year's maize crop. Perhaps
you could let me know what the situation is in this respect.

(C) DAIRY PRODUCE CONTROL BILL. It has emerged
that the Chief Native Commissioner had sent out a most
improper memorandum to all Provincial and District Com-
missioners, practically instructing them to put up any
objections possible to the Dairy Produce Control Bill.
I enclose this circular, which I think you will agree is
not the correct method of obtaining true opinions, and in
consequence the views expressed by these officials are

/completely

Sir John Maffey, D.

June 26th, 1936.

-2-

completely worthless. I hope you will realise that this is a most glaring instance of how some members of the Government of Kenya go out of their way to try and obstruct anything being done which might assist the European farmer.

Incidetally that primary was not quite correct

(D) RESIDENT NATIVE LABOURERS' ORDINANCE. Could you find out what is the position of this Bill, as Flood told me the other day that he was dealing with it and would have it ready in the course of the next week or two. It has been held up for about two years now and we consider it very important it should be brought to fruition.

Yours, etc.

Dennis Scott

P.S. I am afraid the Sec^y of State's reply to Mander about foreigners may have very awkward repercussions, when the Order-in-Council about the Highlands comes up.

7/3/36

ENCLOSURE:

Copy of letter from Chief Native Commissioner dated 13th February 1936.

The Provincial Commissioners,
Nyanza, Coast, Central, and
Rift Valley Provinces?
The Officer in Charge, Masai District.

13th February 1936.

DAIRY INDUSTRY ENQUIRY COMMITTEE.

You have received a copy of the Report of the Committee with the draft Bill and I shall be glad to receive your comments by the first week in March as the proposals may be considered by Government before the date of the next Provincial Commissioners' Meeting. The comments of District Commissioners also would be valuable.

2. My own view is that the proposals cannot be accepted for the following reasons:

- (a) In spite of paragraphs 75 and 76 of the Report I feel sure that the native producer and seller of milk in any proclaimed area would be forced out of business. The European suppliers would corner the market and native produced milk would be taken at the Depot at butter fat prices.
- (b) If the proposals are applied to the whole Colony the scheme would be unworkable.
- (c) If the scheme only applies to Nairobi, Mombasa and Kisumu the overhead expenses would be so high that it would fail financially.
- (d) The scheme would give a fixed price to the producer but would raise the cost of milk to the consumer to such an extent that the poorer classes, Indians and natives, would not be able to buy milk which is necessary for their existence.

I do not propose to elaborate my objections to the scheme but I am going to oppose it and, should your opinion and those of your Officers coincide with mine, my position will be stronger.

4. Please send your replies addressed to "Chief Native Commissioner".

(Sgd.) H. R. Montgomery.

CHIEF NATIVE COMMISSIONER.

FS/RB
26.6.36.

Lord Francis Scott handed me the attached cuttings dealing with the local objections in Kenya to the Dairy Bill. He described them as "not awfully sound", and thought that they were inspired by the Indian distributors who would suffer to some extent, though the rest of the population would benefit.

2. He asked me how the Bond Scheme stood, and I told him that it was not making progress here as it was not regarded as sound and that he could take it for granted that it would be ruled out. He asked that the alternative scheme of Conciliation Boards should receive favourable consideration, and he hoped that these Boards should be given compulsory powers to deal with unreasonable mortgagages.

3. With regard to the Order-in-Council dealing with the White Highlands, we went over the familiar ground and he has got it quite clearly into his head that there can be no question of racial reservation. He pressed very strongly that in any Land Ordinance the definition of "agricultural land" within the Highlands area should refrain in such a way as to represent "land outside townships".

4. He said he hoped that it would be possible for the Secretary of State to take an opportunity of saying something by way of encouragement to the white settlers, something on the lines of what has already been said in the Report of the Joint Committee. Something to the effect that the white settlers had been of great benefit to the country and the people and supporting the principle of white settlement, so that the settlers could be made to feel that they are wanted and that their help is valued.

5
He spoke also of the possibility of the sons of Kenya settlers - he specifically mentioned the case of one Risley - receiving favourable consideration for appointments in Kenya. He told me that he was going to have a talk with Major Furse in regard to possibilities on this line. I was not encouraging.

6
He hoped that there might be some possibility for increased preference for Empire maize.

Jan.
25/6