

1930.

Kenya

1

No. 16289.

SUBJECT

C0533/402

Wheat Pool.

Ordinance No. XIII of 1930.

Previous

Subsequent

17270/31.

Minutes copied  
from 16164/30

The Ex. Council Meeting of the 28th May threw a little more light on this. also see page 2 of June Report of T. & I.O. in 16099/30.

It appears that the subject of a wheat peel has been exercising the minds of people in Kenya lately, though we have heard little of it here. The only reference to it I can find is in the monthly report for May of the Kenya Advisory Committee to the Trade and Information Office. From his marginal note on 16164/30 it appears that Sir J. Campbell does not approve of the idea. On page 23 of the Debate the Attorney-General said that he was authorised to say that a full statement of Govt. intentions in regard to the wheat peel would be made at an early date. That was on 30th May and if a wheat peel was to be set up this year the time for doing so would be September, but, so far as I knew, no statement has yet been made. I knew nothing as to the arguments for and against a wheat peel, but the subject is clearly one on which the Secretary of State would wish to be consulted before the Government in any way committed itself, and in view of what happened on the credit facilities (see No. 1. on 16146/30) it may be thought desirable to ask by telegram that the Secretary of State be consulted before any public statement is made.

(Sgd) C.G. Eastwood.  
5.8.30.

It would seem necessary to ask that the Secretary of State should be consulted regarding the wheat peel proposals. It is a matter of which a full explanatory despatch should be sent by the Gov: but it looks as if either the Secretary of State will not be consulted until the Colonial Government is committed or else (as in the case of the advances) stamped into an early decision by telegraph.

(sgd) H.T. Allen.  
7.8.30.

I agree with Mr. Allen that we should ask for regarding the wheat peel proposals: one feels

nervous as to that. Compulsory wheat peels -- in view of recent and present experience in America and Canada -- are rather terrifying.

(Sgd) J. Campbell.  
7.8.30.

(Intld.) S.H.W. at once.  
15.8.30.

1. To Gov. Tel. No. 144. (EXTRACT) ...16th Aug. 30.
2. Gov. Grigg. Tel. ....24th Aug. 30.

States no intention to set up a wheat peel in the generally accepted sense. Proposes to introduce an Enabling Bill giving power to set up one or more agencies, and Govt. will have no financial interest or responsibility.

"Unless" at the end of the tel. was so received but must clearly be "if" to make sense.

I submit draft tel. after discussion.

(Sgd) J.H. Allen.  
26.8.30.

No point in querying the action, but S. of S. should not be committed to anything in the nature of wheat peels. The draft tel. herewith secures that without interfering with the action which the Governor is taking.

(Sgd) A.C.C. Parkinsen.  
26.8.30.

Yes. I think the draft tel. is adequate.

(Intld) W.C.B.  
26.8.30. at once.

5. To Gov. Tel. 156. (2 ansd) 26th Aug. 30.

DESTROYED UNDER STATUTE

*Above minutes copied  
from transcript 190K*

*The 12 ...  
...  
...  
...  
(No 41 XXXII)*

4

E.A. Indian National Congress. Tel. .... 5th Sept. 30.  
Protests against Wheat Pool Order. and assistance to  
cereal industry.

The I.O. says if they have  
had a similar <sup>one</sup> deal - also through  
the Polak. They will write. Wait

11/11/30

11/9/30 at once

I have spoken to Mr Silver & the  
I.O. He has put forward a proposal for  
a letter to the CO, asking for info  
but no decision has yet been taken.

Noted

Reimburse to me in the 29 of Sept  
& others in September.

[Mr Silver volunteered the statement  
that he also suspected of racial

discrimination between Indians  
& Europeans: & I agreed suggesting (as

with the fact that Indians were  
not engaged in an industry was

not of itself a reason for <sup>assistance</sup> refusal  
of a other grounds desirable &

is that I.O. was not subject to  
vet.; or to receive Plakowak

information from the CO. about,  
exceptional reasons of a purely

economic character adopted to  
meet an <sup>of national crisis</sup> emergency  
by the I.O. not done the I.O.

AP. Section 131 the  
Wheat Pool Bill has  
a special provision  
as regards natives:  
Also the position of  
natives & the  
specialty concerned  
in regard to any  
refuge & advances  
to the cereal industry  
for which they may  
have benefited. 11/11/30

5.

India Office. .... 23rd. Sept. 30.

Trs for obsens of the S.of.S. a copy of a tel. recd from E.A.National Indian Congress - glad to receive a copy of the Ordinance.

6

Gov. Grigg. 572. .... 5th. Sept. 30.

Spare copies of Select Cttee Report in X.E.A.

States as to the Bill which passed its third reading on the 30th. August, encls a copy, with a copy of the Report of the Select Cttee, a copy of the Press report of the debates in Legis. Council is also encl. Will deal further with the measure in a separate despatch trs authenticated copies of the Ordinance.

No. 6 is the Governor's report on the Wheat Pool Ordinance. Apparently the idea is to persuade the wheat growers and the millers to get together <sup>to work out a scheme for the selling</sup> ~~to set up~~ one or more agencies for the buying and selling of wheat. The ordinance gives the Governor power to make any such scheme compulsory.

*I don't think the Govt will have so far as these things concern it as a matter of fact to do anything at all*

There is apparently no question of price fixing or of ~~the~~ prohibiting <sup>the</sup> import of wheat; nor is there any question of Government financial liability. The whole

business seems a little hypothetical; nevertheless, the mere existence of the Ordinance may make producers come into a voluntary association. Whether such an association would be a good thing (which the Ordinance assumes) or not, I do not know; but so long as there is no prohibition on imports and no attempt to fix prices I do not see that it can do much harm. Anyhow, it is merely an enabling ordinance at the moment and there is no question of any action at present.

No. 5 is the letter which we have been expecting

expecting from the I.O. (See Mr. Allen's minute on No. 4) which is still awaiting a reply. I think we might deal with the I.O. letter by explaining that a copy of the Ordinance has not yet been received, and enclosing the duplicate of No. 6 and its enclosures for information, saying that the Secretary of State proposes to ask the Governor to inform the Association that their resolution has been received. X

Other action might be deferred until (a) we see if the I.O. reply; (b) the actual Ordinance is received.

we can give the I.O. a week in which to reply? all?

E. Eastwood  
26.9.30

In Allen's talk with me before meeting. Whenever possible we will work with the I.O., but ~~we~~ we cannot have the I.O. interfering in a matter of this kind upon telegraphic protests from Indians in Hong Kong. It ought to come through the Governor. I agree with his minute - & with the action proposed by Mr. Eastwood except that I wd. add at X "but that Spt. sees no reason to take any action upon it; and further to ask the Governor to remind the Congress that members of this nation shd. be sent to the Spt. through the Governor"

all finished  
26.9.30

working paper  
29/9/30

A

Sir J. Campbell.

The order is rather more  
comprehensive than I expected. I  
should be glad of your views -  
especially on the question whether  
it or the voluntary co operation  
which they hope will make it  
unnecessary is likely to operate  
in the direction of paying up the  
price to the local consumer.

W.C.S. 26.9.20.

The whole thing, in its present form, is very vague,  
and it is difficult to get any clear idea of  
the scheme adumbrated.

2. The general idea is that the growers and  
the millers should come to a voluntary arrange-  
ment, under which all wheat (subject to the  
exceptions stated) would be bought and sold by  
a pool, for local consumption, and for export.  
But all the existing major governing conditions  
would remain intact. Any grower could himself  
export his wheat; and import, of wheat and of flour,  
would continue, freely, subject to the existing  
fiscal conditions. That being so, the only change  
will be such as this voluntary association may  
cause, directly or indirectly. I see no objection  
to that. Given the governing conditions as above,  
the only effect of the pool would seem to be  
that the growers may, by association between  
themselves and the millers, by cutting out a

It is not clear  
whether this is an

See also 10/11/20

But of 3.6.20

1/11/20

certain amount of waste and economic friction, obtain a fractionally better price, and that the millers may obtain an equivalent advantage. Kenya would—broadly speaking, and if the pool were successful—sell her wheat for export as one unit: there ought to be certain well recognised and definite advantages in that. There are definite dangers also, of course—but that is the business of the pool. If they took "views" as to the wheat situation, they might very easily go wrong; if they sold as a business concern, merely taking advantage of their <sup>practical</sup> control of the export trade in wheat, there would be obvious advantages, which would—or should—be reflected in a fractionally better price. And "views" are unlikely; for they in general imply heavy financial resources, which the pool would not possess.

As regards internal prices, the pool will naturally try to increase them. But the extent to which they can increase them is limited by the governing conditions—which remain unaltered, except to the extent to which single control, and association between the growers and the millers, will enable them to obtain a fractionally better return. Any such increase seems quite justifiable: it is merely <sup>a removal of</sup> internal "rationalisation".

3. It is perhaps permissible to doubt whether much—if anything—will come of all this. A voluntary association of the kind is most difficult to arrange: all experience demonstrates that. And these papers contain no indication as to how the thing will be worked out. The Ordinance seems to me badly drafted; and its meaning is, in several <sup>important</sup> respects, obscure. Apparently the Govt:



will eventually have to bear a formal responsibility at least for the price fixed:--under the rule making power. To say that all growers must sell to the agency, and that the agency must buy all wheat offered, seems meaningless, except on the basis of a fixed price--though that price would of course vary from time to time.

4. I agree to the action it is proposed to take.

The 29th: September 1930.

*Amphill*  
29/9/30

The odd crit is no doubt bound to go forward when we get the further details. In its inherent aspect, it is an effort to help our rather helpless producers in the matter of marketing. Personally, it tends to point up prices toward the prohibitive limit by me, but it does not create that tendency, which is the natural result of the protection duty.

J.O.D. as proposed.

W.C.S. 29.9.30  
at all

7 To L.O. (w/c. 6 + Amell and  
Press reports in orig for return) (14/10 20/10)  
(5 Amell) cons. 7 OCT 1930

Trs a copy of a telegram which has been sent by the E.A. National Indian Congress, with the covering memorandum.

I. O. have not replied & we may now write to Gov - as previously proposed. It has been included the point at A in Mr Parkinson's minute of 26.9. In view however of the fact that we have followed it up in the constitutional manner it may be thought better to omit this.

J. Parkinson  
17. 10. 30.

all?  
20. 10. 30  
above

- 9. Gov 822. - Nos 6 + 8. Howard - bonds - 22. OCT 1930
- 10 - I.O. (w/cb 8 + small and 9) 17/11 27 OCT 1930



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4. I agree to the action it is proposed to take.

The 29th: September 1930.

*Handwritten:*  
 Campbell  
 29/9/30

The Old act is not to be done to go forward when it is not to be done in the interest of the country. In its internal aspect, it is an effort to help or rather to help producers in the matter of marketing. Externally, it tends to bring up prices to the level of the protective tariff figure, but it does not create that tendency, which is the natural result of the protective duty.

*Handwritten:* J.S.D. as proposed.

*Handwritten:*  
 W.S. 29.9.30  
 at all

7 To L.O. (w/c 6 + smell and  
 from reports in original form)  
 (5 Annod) cons.

*Handwritten:*  
 14/10 22.10  
 OCT 1930

Trs a copy of a telegram which has been sent by the E.A. National Indian Congress, with the covering memorandum.

*Handwritten:*  
 I.O. have not replied & we may now write to Gov. as previously proposed. It has been decided to point at A in Mr Parkinson's minute of 26.9. In view of the fact that I have followed it up in the constitutional manner it may be thought better to omit this.

*Handwritten signature:*  
 J. Parkinson

17. x 30.

*Handwritten:* acc.p.

20. 10. 30

*Handwritten:* at all

- 9. To Gov 822 - Nos 6 + 8 Annod - bond - 22 OCT 1930
- 10 - L.O. (w/c 8 + smell and 9) 17/11 27 OCT 1930



11. Extract from Press cutting - E.A. Standard dated 8th August 30.  
 12. O.A.G. Memo. 641. .... 3rd. Oct. 30.

1 authentic copy of library

Two 2 authenticated copies of the Ordinance with obverse, and copy of the Legal Report, stand as a Representative Conference to be held on 3rd. October, under the Chairmanship of the Director of Agriculture.

Mr. Allen. (in answer to above)

I attach a note showing the genesis, intent and implications of this peculiar Ordinance. Sir John Campbell's minute of 29. 9. 30 below No. 6 should also be read.

The scheme seems to me to be rather a lot of pother about nothing in particular, but there appears to be no very great harm in it; only two points arise :-

(1) The scheme would appear to imply the fixation of prices. This is a delicate and difficult business as all experience shows, and its implications hardly appear to have been realised.

4/12/30

(2) It would seem likely that <sup>any</sup> the scheme will be unworkable unless the importation of wheat ~~is~~ forbidden. The Government do not appear to contemplate this ~~in any way~~ at present, but pressure is likely to be put upon them on the subject. ~~any such prohibition would be most undesirable.~~ ~~it would be very undesirable that this should be done.~~

In informing the O.A.G. of non-disallowance the Secretary of State might reiterate his desire to be consulted before <sup>any</sup> the scheme is brought into operation, adding as at (1) and (2) above.

C. J. Easton  
 31. X. 30.

by Sugden  
 Has got any other.  
 Mr Allen  
 1/11/30

7

Mr Allen.  
 No legal observations.  
 1/11/30 H. Duncan.

Sir J. Campbell  
 Sir C. B. O'Connell

I agree generally, except that I do not like the idea of including (1) & (2), esp. (1), in an official despatch at this stage; but the substance might be incorporated in a v.o. letter to be used to accompany the desps.?

Al. Parkin  
 12. 11. 30

I am still not very happy about all this. It would be a mistake to take the thing too seriously--for it seems improbable that anything effective will ever come of it. The difficulties in the way of agreement are too formidable, probably, for that. Still--there is a scheme which we are asked not to disapprove; and we have to take it as it stands.

2. If section 15 over-rides everything, and if the import of flour or ground wheat is not prohibited or hampered further by additional duties, I would not recommend disallowance. But does section 15 (a) permit a grower to export

X

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 12. O.A.G. Memo. 641. .... 3rd. Oct. 30.

1 authentic copy of filing

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12a

Mr. Allen. (re referring to above)

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(1) The scheme would appear to imply the fixation of prices. This is a delicate and difficult business as all experience shows, and its implications hardly appear to have been realised.

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In informing the O.A.G. of non-disallowance the Secretary of State might reiterate his desire to be consulted before <sup>any</sup> the scheme ~~is~~ brought into operation, adding as at (1) and (2) above.

C. G. Easton  
 31. X. 30.

in Dublin  
 Have you any others.  
 Mr. Allen  
 1/11/30

7

Mr. Allen

No local observations.

11/11/30 Mr. Duncan

Sir J. Campbell  
 Sir C. B. O'Sullivan

I agree generally, except that I do not like the idea of including (1) & (2), esp. (1), in an official despatch at this stage; but the substance might be incorporated in a v.o. letter to be used to accompany the despatch?

All Parke's  
 12. 11. 30

I am still not very happy about all this. It would be a mistake to take the thing too seriously--for it seems improbable that anything effective will ever come of it. The difficulties in the way of agreement are too formidable, probably, for that. Still--there is a scheme which we are asked not to disapprove; and we have to take it as it stands.

2. If section 15 over-rides everything, and if the import of flour or ground wheat is not prohibited or hampered further by additional duties, I would not recommend disallowance. But does section 15 (a) permit a grower to export

his wheat? Under section 5, he can sell only ~~tax~~ to an agency; under section 6, no person but an agency can buy from him. I think section 15 was meant to be over-riding; but I am not at all sure--as I mentioned before--that that is the legal effect. This point is important, as fixing a lower limit of price variation. Again, section 15 (d) would apparently admit of the milling of "outside" wheat in the Colony; but section 9 prevents the miller from getting such wheat to mill! The admission of "outside" wheat would therefore seem to lead to nothing.

( This refers, of course, to wheat other than "agency" wheat. )

3. The crux of the whole thing is probably the flour imports. As I understand it, the position as regards flour imports will remain unaltered--though there are already signs that local opinion, or one section of it, will press for prohibition, or prohibitive duties. If the flour market remains unchanged, the agency will not be able to fix wheat prices so that the Mombassa millers can just work at a profit, and shut out foreign flour, or admit it in small quantities corresponding to a special demand for a higher class article. As there has to be one wheat price throughout the Colony, the up-country mills will secure their wheat at the Mombassa price; that is, they will have to pay more for it--the measure of the increase being roughly the transport cost from up-country centres to Mombassa. Flour prices will therefore rise; and with them--probably, but not certainly--bread prices. It may be that the difference will not be sufficiently great to be reflected in an increase in the retail price of bread.

8

And there may be, of course, an arrangement between the agency and the millers under which the increased price is shared between growers and millers, apart from the fixed price of wheat.

4. My difficulty is that we have no clear statement as to what the thing really means, or how it is expected to work. It has obvious "political" possibilities, of a disturbing character, for Indians--for example--are traditionally peculiarly sensitive to changes in the price of their ~~staple~~ staple food-stuffs.

5. The whole thing may--and probably will--lead to nothing. One does not therefore like to be obstructive, or captious in criticism. But I do think we ought to have information on the points mentioned above; and I would suggest that we endeavour to obtain it, semi-officially. If export is free, if the import of flour is to continue on the present basis, I would not suggest disallowance. But I think the Ordinance ought to be so amended as to make its intention clear past the possibility of doubt.

The 13th: November 1930.

*[Signature]*  
13/11/30

I had hoped that the Ordinance would put the proposal in an intelligible and definite form, but, instead, it has raised fresh doubts or accentuated old ones.

I agree that we shall have to clear out these doubts which are set out in Sir John Campbell's minute, but it will be possible to do

his wheat? Under section 5, he can sell only ~~to~~ to an agency; under section 6, no person but an agency can buy from him. I think section 1b was meant to be over-riding; but I am not at all sure--as I mentioned before--that that is the legal effect. This point is important, as fixing a lower limit of price variation. Again, section 1b (d) would apparently admit of the milling of "outside" wheat in the Colony; but section 9 prevents the miller from getting such wheat to mill! The admission of "outside" wheat would therefore seem to lead to nothing. ( This refers, of course, to wheat other than "agency" wheat. ).

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The 13th: November 1930.

*[Signature]*  
13/11/30

I had hoped that the Ordinance would put the proposal in an intelligible and definite form, but, instead, it has raised fresh doubts or accentuated old ones.

I agree that we shall have to clear out these doubts which are set out in Sir John Campbell's minute, but it will be possible to do

so by a confidential telegram and not necessarily semi-officially; they are points which should be recorded locally.

On the merits of the scheme I still hope that when the position is clear it will be possible to approve of its adoption. Everything that we can do, in reason, to improve the position of the European producer is desirable both politically and economically, and in addition it will be useful if we can bring them on to a sound basis of co-operative working. Also, as Sir E. Grigg's printed despatch on 'Closer Union' has shown, the balance of trade in Kenya is heavily on the side of imports, and whatever can be said for reducing imports in order to "keep the money in the country", is applicable in Kenya at the present time.

W.C.S.  
13.11.30.

Sec of State.

You should see. I agree that before going further we should clear up the doubts expressed

in Sir J. Campbell's minutes above.

P.H.G.

15.11.30.

Yes - the whole thing is very questionable. P 17/11

9

Mr. N.D. Spranger, the Plant Breeder, who is concerned with the growing of Kenya wheat, happened to call this morning, and I asked him if he could give any explanation of the curious fact that there is a large importation of flour into Kenya as well as a large export of wheat from Kenya. I ~~think~~ <sup>also</sup> ~~should~~ have ~~to~~ <sup>also</sup> correspond with Major Dale about it. I now understand the position to be that very little wheat is imported into Kenya, but quite a lot of wheat-meal and flour, 68,605 cwt. in 1929. All but a few cwts. of this comes from India and Burma. The following are the prices and freight-rates on local and imported flour :-

Bombay flour at Nairobi	...	Shs.55/-
Freight rates, Mombasa to Nairobi		Shs. 8/14
Therefore presumably Bombay flour sells at Mombasa at	...	...
		<u>Shs.46/86</u>
Price of local flour at Nairobi		Shs.36/-
Freight on flour from Nairobi to Mombasa (in lots of 1 ton or over)		Shs.2/80
Therefore presumably the price of local <sup>flour</sup> <del>meal</del> at Mombasa is	...	...
		<u>Shs.38/80</u>

These figures are all for 200 lb. bags on the 17th October.

The figures show that at present foreign flour is able to command a considerably higher price in the local market than local flour. This I understand is due to the fact that Kenya flour by itself is too "strong" (whatever that may mean), to be used unadulterated, and that it is usual to ~~blend~~ <sup>blend it</sup> with some Indian flour. Although there is now a strong movement in favour of greater use of local flour, the two flours are not at the moment by any means competitive. In these circumstances

it



it does not appear that the introduction of a scheme to fix a uniform price throughout the Colony will necessarily have the effect of increasing the price of local flour in the Colony.

Mr. Parkinson spoke to Sir Cecil Bottomley and asked him whether in view of the great difficulty of summarising our doubts at all concisely a despatch might be sent instead of a telegram <sup>(Q)</sup> indicated in his minute of 13.11. He agreed that this might be done provided that a short telegram were first sent. I submit draft for conson.

Mr. Duncan <sup>will perhaps</sup> ~~will~~ initialise the draft in so far as ~~is~~ concerns ~~the~~ para: 5?

in which, in view of the fact in the previous para: I have ventured to modify to some extent the direction of previous minutes.

J. Eastwood

20. XI. 30.

1-11  
Since the above was dictated I have come across the attached Press Cutting indicating that the industry have probably reached agreement among themselves. The OAG's dealings however - see last para: 2 no. 6 - that the SPS is to be kept informed of any proposals for action.

J. Eastwood  
20/XI

I have altered paragraph 5 of the draft despatch because it contains advice which I have not given. I carefully considered the Ordinance and the minutes on the file, and came to the conclusion that although the former was indifferently drafted, as Sir John Campbell pointed out, the provisions of Section 15 were on the whole sufficient to ensure that there would be no interference with the power of the wheat grower to sell his wheat for export if he so desired. It seemed to me that the only wheat affected by the Ordinance was that grown in the Colony and intended for the local market. This would leave the wheat grower free to sell his wheat abroad, and the miller free to mill imported wheat, independently of the pool.

In these circumstances, I thought it was unnecessary for me to tinker with the form of the Ordinance, and I, therefore, wrote "No legal observations".

*H. Duncan.*

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21st November, 1930.

DESTROYED UNDER STATUTE 13 India Office -----30th. Oct.  
Ack. No. 7 ; copy corres. being sent to Govt. of  
India; return Press Reports.

Copies to Lib. 14 A/Col. Sec. -----7th. Oct.  
Trs. ten printed copies of Ordinance.  
DESTROYED UNDER STATUTE

15 A/Gov. Moore <sup>701</sup> -----3rd. Nov.  
Encloses copy Proceedings of a Conference of  
Europeans & Indian wheat growers & millers,  
held on 3rd. Oct.; Confee. recommended Advisory  
Board be apptd. to advise on operations of  
agencies apptd. under Ordce.; has apptd. "ad hoc"  
Committee under Chairmanship of Dir. of Agric. to  
advise Govt. as to lines on which any agencies  
that may be apptd. should set up.

I have held up the drafts prepared on No. 12 in view of No. 15. This helps to make the position more clear. Apparently there is already a voluntary wheat pool run by the Kenya Farmers' Association; ~~and~~ the scheme now under discussion would involve their running a compulsory wheat pool. It would not entail any financial liability to Government.

The local people appear to be alive to the difficulties of price fixing. Apparently no attempt is to be made to fix the price of flour but only that of wheat. There is no suggestion in No. 15 of any prohibition of the import of wheat or flour.

In fact, as far as one can gather, the scheme under discussion seems comparatively harmless. Most certainly, however, it would be undesirable for the proposed Advisory Board (whose function would I suppose be to fix the price of wheat) to have an official chairman.

Perhaps the position might be crystallized by a telegram on the following lines :-

"Your despatch 3rd November No. 70.  
I entirely agree that any official representation would be undesirable on proposed Advisory Board, which presumably would be concerned chiefly with fixing price to be

paid

11

paid for wheat. Experience elsewhere shows difficulties and dangers of any attempt at fixation of prices, and though these may not be quite so great in Kenya as elsewhere owing to peculiar circumstances that flour is imported and wheat exported, I consider that Government should accept the minimum of responsibility in regard to it; indeed, I should have preferred that no recourse be had to the Ordinance. If the Ordinance is to be applied, it should be clearly understood that scheme is experimental.

I fear that any scheme will prove unworkable unless accompanied by prohibition of import of wheat and flour. I wish it to be clearly understood by all concerned that I should not be prepared to agree to any such suggestion\*.

This telegram should be followed up by a confirming despatch, ~~signifying non-acceptance of Ordinance~~ and making the point as to Section 15 as in para. 5 of the draft previously prepared.

In view of the further info now to hand it may also be thought possible to signify non-disallowance of the Ordinance ~~critical~~ asking for further ~~of~~ reports. As pointed out in previous minutes, it would be a pity to magnify the business unduly.

E. Eastwood

25.XI.30.

P.T.O.

Mr. Parkinson:

As this is getting very complicated, I will endeavour to compress it. The position, as I understand it, is that while fully realising the objections, <sup>it is</sup> ~~will be~~ not proposed to disallow the Ordinance if

- (a) Local wheat is free for export, and traffic in imported wheat is unrestricted - in his minute of the 21st November, Mr. Duncan advises that this is the effect of the Ordinance;
- (b) The importation of flour is not prohibited or hampered by additional duties. ~~Mr. Duncan also says that the Ordinance does not allow the importation of flour with a duty of 10% on the value of the flour.~~

The enclosures to the new despatch (No. 15 on the file) throw some light on the local interpretations, since it will be seen from the minutes of the Conference that the chairman (Mr. Holm - the Director of Agriculture) referred (page 4) to the provisions ~~in~~ section 15(a), whereby anybody could export wheat from the Colony unhampered by the provisions of the Ordinance. He also said (page 2) that "the question of fixation of price of flour and bread had received close consideration when the Bill was under review, and it was decided that the Bill should not express any such intention, and that in any case, it was a very involved and difficult question. Therefore, it was not considered necessary to fix flour prices when all millers would be on an equal basis if they obtained wheat on equal terms." The Attorney-General had previously explained that the Government at present had no powers under which

the

the price of either flour or bread could be controlled. It will further be seen from page 3 that the Conference agreed that the price of wheat should be fixed, but considered that the price of flour should not be controlled in any way.

In his latest despatch, the Acting Governor deals with the question of a proposed Advisory Board, which the representatives of the wheat industry desire to be set up with an official ~~as~~ chairman. The objections to giving any such Board official status, or appointing an official as chairman seem conclusive. Any such official would have to be of standing and experience - possibly, it would be necessary to appoint the Director of Agriculture himself, and it would seem that it is precisely such an official whose advice would be <sup>required by</sup> necessary for the Governor to enable him to deal with appeals under Section 14 of the Ordinance. In the changed circumstances, it would seem desirable to communicate with the O.A.C. <sup>fully</sup> by cable report, and the difficulties of doing so seem to be lessened by the latest information.

I therefore submit a draft telegram as an alternative to Mr. Eastwood's ~~main~~ telegram ~~submitted~~ proposed despatch.

(A. B. It will be seen that Indian Opium was represented at the Conference & will be at the new Conference - para 4 & 6  
10757

J. W. Allen

1/11/20

all Parliam  
1. 12. 20

Sir S. Wilson  
Mr Allen's minute and  
copy

the price of either flour or bread could be controlled. It will further be seen from page 3 that the Conference agreed that the price of wheat should be fixed, but considered that the price of flour should not be controlled in any way.

In his latest despatch, the Acting Governor deals with the question of a proposed Advisory Board, which the representatives of the wheat industry desire to be set up with an official ~~as~~ chairman. The objections to giving any such Board official status, or appointing an official as chairman seem to be exclusive. Any such official would have to be of standing and experience - possibly, it would be necessary to appoint the Director of Agriculture himself - and it will be noted that it is precisely such an appointment whose advice would be <sup>required by</sup> ~~necessary for~~ the Governor to enable him to deal with wheat under Section 14 of the Ordinance. In the present circumstances, it would seem desirable to communicate with the O.A.G. <sup>fully</sup> by telegraph, on the difficulties of doing so being to be illustrated by the latest information.

I therefore submit a draft telegram as alternative to Mr. Eastwood's ~~main~~ telegram ~~and~~ proposed despatch.

(A. B. It might be seen that Indian Opium was represented at the Conference & will be at the new Conference - para 4 B

1075

W. Allen

1/11/30

acc. Parkinson

1.12.30

Sir S. Wilson  
Mr. Allen's initials and  
copy

deep crystalline horizon, 13  
I send on for approval.

I entirely agree that there  
should not be an official Chairman  
- and the identity should be  
able by now to find a big enough  
man from its own circles.

W.C.B.  
2/12/30

Hi Abbott and Co

Yr. memorandum file because  
Tel. (No. 16) had arrived.

SPR tel. amended to cover  
NO 16 for course

see Parkman

3.12.30

W.C.B. 3.12.30.

Sec of State (through D. Shields)

Justice

P.A. 6

4.12.30

T. D. S. 4.12.30.

Should not the  
explanatory  
+ carbon copy  
despatch also  
be sent? P 4/12



16 Oals. tel. 419 \_\_\_\_\_ 2<sup>d</sup> December

Requests approval to appoint Kenya Farmers Assoc. as sole agency and with advisory board approved by Govt.

17 \_\_\_\_\_ Tel to O.A.S. No 311 ems 4<sup>th</sup> Dec. 20/12

Recd. as to S. of S's min. of 4/12/

18 Oals. tel. 434 \_\_\_\_\_ 13 December

States intention is that export of local wheat and traffic in and milling of imported wheat shall remain unrestricted and does not consider amendment to ordinance necessary, no prohibition or additional duty on imported wheat or flour contemplated. Reports Agency and Advisory Board now appointed

Perhaps we might now write as in Dft. ltr. for comon.

E. Entwistle  
17.12.30.

See the Secretary's State's minute of 4 Dec. (The dft. preceding forecast of the Eastwood - see above No 15 - was not near to satisfactory)

W. Allen  
18/12/30

S. of S. to see D. in office 19/12/30  
N. to see 10/1/31

19 No. Gov. 1014 - 18. knowd. ems - 24 DEC 1930

Acc. Parkinson  
19.12.30

16 Oals. tel 419 \_\_\_\_\_ 2<sup>nd</sup> December  
Requests approval to appoint Kenya Farmers Assoc.  
as sole agency and with advisory board approved  
by Govt.

17 \_\_\_\_\_ Tel to O.A.A. No 311 ems 4<sup>th</sup> Dec. 20/12

Recd. as to  
S. of S's mem. of  
4/12/31

18 Oals. tel 434 \_\_\_\_\_ 13 December  
States intention is that export of local wheat and traffic  
in and milling of imported wheat shall remain unrestricted  
and does not consider amendment to ordinance necessary;  
no prohibition or additional duty on imported wheat  
or flour contemplated. Exports Agency and Advisory  
Board now appointed

Perhaps we might now write  
as in Dft. ltr. for comon.

E. Eastwood  
17.12.30

See the Secretary & State's minute &  
4 Dec: (The Dft. preceding  
prepared by Mr Eastwood - see above  
No 15 - was not new & suitable)

W. Allen

18/12/30

Recd Parkin  
19.12.30

19 No. Gen 1014 - 18. knowd - ems - 24 DEC 1930

S. of S. to see  
note on off 19  
19/12/31

20 Extract from Official Gazette No 69, dated  
30 December 1930. 14

Mr Eastwood  
legitimized in accordance with minutes  
on 16055/30 Kenya. 7 ltr by.

Shaw  
5/2/31  
Parkin  
9.2.31  
at

W

Mr Eastwood  
to reply to last paragraph of  
to 19/12/30

Shaw  
4/6/31  
Wait 6 weeks  
Parkin 21/1/31  
10/6/31  
at

W

## GOVERNMENT NOTICE No. 727.

## THE SALE OF WHEAT ORDINANCE, 1930.

## RULES.

IN EXERCISE of the powers conferred upon him by section 17 of the Sale of Wheat Ordinance, 1930, His Excellency the Governor in Council has been pleased to make the following Rules :—

1. These Rules may be cited as "the Sale of Wheat (Agency) Rules, 1930."
2. In these Rules "the Ordinance" means the Sale of Wheat Ordinance, 1930.
3. (1) Every wheat grower shall render to the Agency, when required, on forms provided by the Agency—
  - (a) a preliminary estimate of his wheat crop for the current season;
  - (b) after the crop has been harvested, a return showing the number of bags of each variety of wheat, with an estimate of their grade, and accompanied by fair samples of not less than half a pint of each variety. Such return shall state the dates between which the wheat grower is prepared to deliver the wheat;
  - (c) such further return as may be required by the Agency showing the amount of wheat remaining on hand from time to time.
- (2) Every registered miller shall render to the Agency when required, on forms provided by the Agency, a return of his estimated monthly requirements for the forthcoming year.
4. (1) The Agency shall communicate to all registered millers the estimated amount of the season's crop together with all other information with regard thereto, obtained as provided by the last preceding rule.
- (2) Registered millers will indent monthly in respect of their requirements and shall, by the 1st of June, be prepared to enter into agreements as to the purchase of the balance of their requirements for the year.
5. (1) Millers shall pay the price fixed by the Agency from time to time, free on rail at the wheat growers' station.
- (2) Payment therefor will be made to the Agency in Nakuru on the 20th day of the month following delivery, unless an approved guarantee of payment is given by the miller; and millers will, if required, furnish guarantees to the satisfaction of the Agency for an amount equal to their average purchases for fifty days.
- Except as in this rules provided purchases may be made only for cash against railway waybills.
6. Railment to mills will be at miller's expense.
7. All charges against wheat exported shall be a charge against the gross proceeds of the realisation of such wheat, except that branch line charges and loss in weight due to conditioning will be a charge against the wheat grower.
8. The Agency shall not be bound to take delivery in any one month of more than one-sixth of the total quantity of wheat, suitable for conversion into flour, harvested by a grower in any season.

## GOVERNMENT NOTICE NO. 726.

THE CROP PRODUCTION AND LIVESTOCK  
ORDINANCE, 1926.

## RULES.

IN EXERCISE of the powers conferred upon him by section 4 of the Crop Production and Livestock Ordinance, 1926, His Excellency the Governor in Council has been pleased to make the following Rules:—

1. These Rules may be cited as "the Wattle Bark Marketing Rules, 1930" and shall come into force on the 1st day of January, 1931.

2. These Rules shall apply to the whole of the Colony.

3. In these Rules, unless the context otherwise requires—  
"wattle bark" means the bark of *Acacia decurrens*, *Acacia mollissima* or *Acacia pycnantha*;

"inspector" means any district officer or agricultural officer;

"external moisture" means water derived from rain, dew or mist, and not the sap of the tree;

"green bark" means bark containing moisture derived from the sap of the tree in excess of 12 per centum by weight.

4. Wattle bark shall come under the operation of the Crop Production and Livestock Ordinance, 1926.

5. No trader shall store or permit to be stored wet or mouldy wattle bark on his premises.

6. No person shall buy, sell or offer for sale any wattle bark which is mouldy or damp: Provided that green bark may be sold to and/or purchased by extract factories if it be not wet with external moisture.

7. Any person storing or transporting wattle bark shall take proper precautions to ensure that such wattle bark does not become damp during storage or transport; and if such wattle bark be found to be damp during storage or transport it shall be assumed that it has become damp during such storage or transport as the case may be and the onus of proof that it has not become damp during such storage or transport shall lie on the person in whose store or vehicle it is found: Provided that if such wattle bark is found to be damp while in any vehicle or store of the Kenya and Uganda Railways and Harbours the onus shall be on the consignor of such wattle bark to prove that such wattle bark was not damp at the time of consignment.

8. Any inspector may enter upon any premises in which he has reason to believe that wattle bark is stored, for the purpose of examining it.

By Command of His Excellency the Governor in Council.

Nairobi,

This 23rd day of December, 1930.

J. E. S. MERRICK,  
Clerk to the Executive Council.

## GOVERNMENT NOTICE NO. 726.

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ORDINANCE, 1926.

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8. Any inspector may enter upon any premises in which he has reason to believe that wattle bark is stored, for the purpose of examining it.

By Command of His Excellency the Governor in Council.

Nairobi,

This 23rd day of December, 1930.

J. E. S. MERRICK,  
Clerk to the Executive Council.

9. Any wheat which is musty, weevily or unsuitable for conversion into flour may be sold by the Agency on account of the wheat grower, who shall pay all charges incurred thereon as well as the difference between the advance, if any, made to him and the net price which such wheat realised.

10. The total amount realised from the operations of the Agency under the Ordinance shall, after deduction of the cost of the administration and management of the Agency and any other expenses incurred by the Agency under the provisions of the Ordinance be divided amongst the wheat growers *pro rata* in proportion to the number of bags delivered by each grower regard being had to the relative values set by the Agency on the various grades and varieties.

11. (1) Millers on taking delivery of any wheat shall on the same day send a credit note to the Agency on the form provided by the Agency for the purpose, and shall also on the same day send a "quantity receipt" to the wheat grower stating the variety, grade and weight of the wheat received.

(2) If the wheat grower is dissatisfied with such statement of the weight and grade he may, within seven days of the posting of such receipt, himself or by his authorised agent, claim to have the grade and weight checked at the mill. In the case of disagreement the matter in dispute shall be referred to an accredited representative of the Agency.

(3) No wheat shall be milled until ten days after its arrival at the mill, or until, in the event of dispute, the wheat grower is satisfied as to the weight and grade of such wheat or the matter in dispute has been disposed of as hereinbefore provided.

12. The Agency may require millers to furnish particulars of all contracts in writing duly made by them before the appointment of the Agency, in respect of which they intend to claim exemption under section 15 (b) of the Ordinance.

13. The Agency shall submit monthly returns of its operations under the Ordinance to Government for publication in the Gazette and in the public press circulating in the Colony, and shall furnish such other information as to its operations as may be required by Government from time to time.

14. The Agency shall keep proper records of its transactions and shall also keep complete and accurate statements of account in respect of all its operations under the Ordinance.

15. Any person contravening or failing to comply with any provisions of these Rules shall be liable to a fine not exceeding fifty pounds.

By Command of His Excellency the Governor in Council.

Nairobi,

This 22nd day of December, 1930.

J. E. S. MERRICK,  
Clerk to the Executive Council.

GOVERNMENT NOTICE No. 728.

THE STAGE PLAYS AND CINEMATOGRAPH  
EXHIBITIONS ORDINANCE.

RULES.

IN EXERCISE of the powers conferred upon him by the Stage Plays and Cinematograph Exhibitions Ordinance (Chapter 73 of the Revised Edition), and all other powers thereunto enabling him, His Excellency the Acting Governor has been pleased to make the following Rules:—

1. These Rules may be cited as "the Cinematograph Films Censorship (Amendment) Rules, 1930," and shall be read as one with the Cinematograph Films Censorship Rules, 1930, hereinafter referred to as "the Principal Rules."
2. Rule 2 of the Principal Rules is hereby amended by the deletion of the word "four" in sub-rules (1) (d) and (4) and the substitution thereof of the word "eight."

B. Rule 10 of the Principal Rules is hereby revoked with effect from the 1st day of January, 1931.

By Command of His Excellency the Acting Governor.  
Nairobi,  
This 24th day of December, 1930.

J. B. S. MERRICK,  
*for Acting Colonial Secretary.*

GOVERNMENT NOTICE No. 729.

EXECUTIVE COUNCIL.

APPOINTMENT.

His Excellency the Acting Governor has been pleased to make the following provisional appointment:—

THE RIGHT HONOURABLE HUGH CHOLMONDELEY LORD DELAMERE, to be temporarily an Unofficial Member of the Executive Council of the Colony and Protectorate of Kenya.

Nairobi,  
23rd day of December, 1930.

J. E. S. MERRICK,  
*for Acting Colonial Secretary.*

GOVERNMENT NOTICE No. 730.

EXECUTIVE COUNCIL.

NOTICE.

Notice is hereby given that THE HONOURABLE CONWAY HARVEY, Member of Legislative Council, has, by writing under his hand, resigned his seat on the Executive Council.

Nairobi,  
23rd day of December, 1930.

J. E. S. MERRICK,  
*for Acting Colonial Secretary.*

17/19

Mr. Allen

Mr. J. Campbell

Mr. J. Campbell

Mr. J. Campbell

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Mr. J. Campbell

(additional suggestions)

Downing Street,

17/12/30

24. December, 1930.

Sir C. Boltonley 20.12.30  
Sir J. Stuchburgh  
Sir G. Grindle  
Perm. U.S. of S.  
Partly U.S. of S.  
Secretary of State.

Sir,

C. n.  
R 20 DEC  
D 23

DRAFT.

(No.18)

KENYA

No. 1014

OAG

(in 1014)

I have the honour to refer to the correspondence ending with your telegram No. 437 of the 13th December, and to inform you that His Majesty will not be advised to exercise his power of disallowance in respect of Ordinance No. XLII of the Legislature of Kenya, entitled "An Ordinance to Regulate the Sale and Distribution of Wheat grown in the Colony."

2. As you are aware, I have felt considerable hesitation in agreeing to any scheme of control of the wheat industry on the lines contemplated by the Ordinance. All experience shows that the fixation of prices is a delicate and difficult operation with many reactions, both political

S. G. B. after action  
S. G. B. P. H.

political and economic. On the other  
hand, in view of the existing economic  
depression, I was anxious, if satisfied  
that they were prudent, to facilitate  
rather than to obstruct proposals designed  
to improve the position of the producer  
in the Colony and to ~~make for~~ <sup>secure the advantages of</sup> co-operative  
working ~~on a sound basis~~. <sup>have felt</sup> I should,  
however, not ~~feel~~ justified in approving  
the proposals in the absence of definite  
assurances that the export of local wheat  
and the traffic in and milling of imported  
wheat would remain unrestricted, and that  
the importation of ground wheat and flour  
would continue on the present basis and not  
be hampered by prohibitions or additional  
duties. I therefore thought it necessary  
to obtain assurances on these points, but  
subject to them I was prepared to agree to  
the Ordinance remaining in operation, and  
to the appointment of an agency and a purely  
unofficial Advisory Board, as proposed in  
your telegram No. 418 of the 2nd December.

(No. 15)



I am glad that you have been able to give these assurances in your telegram (18) <sup>No 433</sup> ✓ of the 13th December; but I desire

(No.17) to emphasise the warning in my telegram No. 311 of the 4th December, ✓ that I am very definitely opposed to the adoption of restrictive measures in regard to ~~either~~ the export of local wheat, the <sup>and</sup> traffic in/milling of imported wheat, or the importation of ground wheat and flour.

3. While I trust that the scheme now approved will prove a success, and achieve the objects which it is designed to secure, I rely on you to observe <sup>it</sup> ~~its~~ working carefully, and I shall be glad to receive a report on its working during the period up to the 31st March next. *In that event, you will see*

I have, &c.

(Signed) PASSFIELD.

*doubt that will be question of the ascertained effect, if any. of the operation of the scheme on the local price of wheat, flour, and bread.*

DECODE

5 DEC 1930  
COL. OFFICE

19 18

TELEGRAM from the Officer Administering the Government of Kenya to the Secretary of State for the Colonies. Dated the 13th December, 1930. Received at 2.35 p.m. on the 13th December.

-----

No. 437. Your telegram No. 311. Intention is that export of local wheat and traffic in and milling of imported wheat shall remain unrestricted. In view of my legal advisor's Ordinance makes this intention clear and no amendments are necessary.

No prohibition or additional duty on imported wheat and flour is contemplated.

Agony and Advisory Board have now been appointed as proposed by telegram of 2nd December.

6. 1  
Anand - 1014 - 24 DEC 1930

C.O.

20 17  
Coded + Sent  
10.15 pm  
4-12-30  
H.M.A.S.

Mr. Allen 1/12  
Mr. Johnson 1-12-30

X.16289/30 Kenya

X Mr. Campbell 1-12-30  
Bottomley 2-12-30

Annex No. 18  
No. 311

R 5DEC  
D 5

Sir J. Shuckburgh.

Sir G. Grindale.

Dep't. U.S. of S. 4/12

Parly. U.S. of S. 4/12

Secretary of State.

(6) + (12)  
4/12  
+ (15)

for session v. minutes.

DRAFT. Telegram. (Code)

Your despatch of 5th

September No. 572.

Although in view

of practical difficulties I have considerable doubts about Ordinance I shall be prepared to acquiesce on receiving assurances from you on the following points:-

(One) That in spite of provisions of Sections 5, 6 and 9 it is the intention of sub-sections 15(a) and (d) that export of local wheat and traffic <sup>and milling of</sup> in imported wheat shall remain unrestricted. I am advised that this appears to be effect of Ordinance but if there is any doubt amendments would be necessary to make position clear in these respects.

(Two) That the importation of ground wheat will continue on present basis

See further minutes

I should not prepared to agree at any time to any such restriction by taxation or otherwise

and

and not be hampered by prohibitions or  
additional duties, to neither of which  
could I agree.

I also propose to await  
any specific proposals <sup>for</sup> ~~before~~ implementing  
Ordinance which may result from the de-  
liberations of Committee referred to in  
paragraph 4 of your despatch of 3rd  
November No. 701 but as at present advised  
I am strongly of opinion that any  
Advisory Board should not have official  
status or official chairman.

(15)

WCSF.

Your tel. No 418 just received &  
provided that you can give me  
satisfactory assurance on points  
mentioned above I agree to  
immediate appointment of  
agency & of board entirely  
unofficial as proposed

Secy

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My dear friends  
 I have to inform you that the  
 of the Commission has  
 decided to accept the  
 plan proposed by the  
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 This decision was reached  
 after a long and careful  
 study of the matter.

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