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

I also propose to await
any specific proposals ^{for} ~~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)

SECRET.

*You 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*

Letter

16289/30

DECODE 21/16

RECEIVED
- 2 DEC 1930
COL. OFFICE

TELEGRAM from the Officer Administering the Government of Kenya to the Secretary of State for the Colonies.

Dated the 2nd December, 1930. Received at 12.38.p.m. on the 2nd December.

No. 15

No. 418. My despatch of 3rd November No. 701. Committee referred to in paragraph 4 has recommended that the Government should appoint Kenya Farmers Association sole agency under (? group omitted) provided the Association is prepared to accept appointment of an unofficial board advisory to it approved by the Government. My Executive Council with whom I concur have endorsed this recommendation and I have agreed to personnel of such a board representative of all interests including Indians under Chairmanship of Francis Scott.

I should therefore be glad to receive your approval to appoint agency and advisory board at once as all parties interested regard this measure essential if wheat industry is to be tided over present crisis.

O. O.

Mr. Eastwood. No. 107

16289/30/Kenya.

22

Allen

Mr.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Partly U.S. of S.

Secretary of State.

NO.----- Confidential.

Your despatch No. 641 of the 3rd
October. I am not altogether
happy about effect of Wheat Pool
Ordinance, and am forwarding my
observations by despatch.

DRAFT CODE TELEGRAM
(for conson)

GOVERNOR,

NAT ROBI

Secor.

O O

Mr. Eastwood No. 10:

16289/30/Kenya.

22

Allen

W. J. [unclear]

Mr.

Sir C. Bottomley

Sir J. Shuckburgh

Sir G. Grindle

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State

NO. ----- Confidential.

Your despatch No. 641 of the 3rd
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Ordinance, and am forwarding my
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CODE
DRAFT. TELEGRAM
(for conson)

GOVERNOR,

NAIROBI.

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KENYA.

No. 701



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
24 NOV 1930
COL. OFFICE

3rd November, 1930.

My Lord,

NO 12

I have the honour to refer to paragraph 3 of Kenya despatch No. 641 of the 3rd October, in which I undertook to keep Your Lordship informed as to the progress of negotiations in connection with the question of the establishment of one or more selling and distributing agencies to control the movement of locally grown wheat.

2. A representative Conference of European and Indian wheat growers and millers was held on the 3rd October under the Chairmanship of the Director of Agriculture. At this Conference a substantial measure of agreement was successfully reached, but the proposals made involved difficulties which, as explained below, have still to be disposed of. A copy of the proceedings is attached.

3: Having expressed the opinion that it was vital to the prosperity of the wheat industry that all wheat growers should share equally in any disparity between the local milling prices of wheat and the values of wheat exported, the Conference recommended that the provisions of the Sale of Wheat Ordinance, 1930 should be implemented by the Government and that an Advisory Board should be appointed to advise both in regard to the operations of any agency or agencies appointed

under -----

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.1.

Order tel No 311 cons 4th December

under the Ordinance, and also to give close consideration from time to time to the prices which should be fixed by the agency to Wheat Growers, and also to the selling prices of wheat to millers. The Board was to be composed of an Official Chairman, two representatives of wheat growers, two millers' representatives and one member representing consumers' interests.

With these recommendations, after taking the advice of my Executive Council, I found myself unable to agree 'in toto'. While representatives of the wheat industry have laid stress on the importance both of creating an Advisory Board and of securing an official as Chairman of it, it was precisely these factors in the proposals submitted to me that would most, in my opinion, have been likely to create a difficult situation. By intention no such Board was provided for in the Ordinance and the appointment of an official Chairman to such a non-statutory body might, and probably would be interpreted as involving the connivance of the Government in exceeding the intentions of the law, in a matter of important principle.

4. In order that the matter may receive further consideration, I have appointed a purely 'ad hoc' Committee, under the Chairmanship of the Director of Agriculture, to advise the Government as to the lines on which any agency that may be appointed should be set up. The unofficial members of the Committee comprise three members representing wheat growers, three representatives of the millers, (including one Indian member), and one member representing consumers' interests. I trust that this Committee will find it possible to submit its recommendations in such a form that the creation of any Board advisory to an agency which may be appointed, should the Ordinance be eventually applied, would not

have the official status which an official Chairman would lend to it.

5. Your Lordship will no doubt agree that, whereas the possible application of the Ordinance and the appointment of an agency may possibly be found desirable and generally acceptable to all the communities and interests concerned, it is a matter for the agency, rather than the Government, to decide whether the agency should organize some Advisory Board of its own. The proper function of the Governor in Council is, in the intention of the Ordinance, to hear appeals and complaints, and if necessary to take action thereon.

6. I desire, however, to emphasize the fact that I have made no commitment whatsoever as to the future action of the Government.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble servant,

Mr. Keble

ACTING GOVERNOR.

WHEAT CONFERENCE

At a Conference of Wheat Growing and Milling interests held at the Offices of the Department of Agriculture on Friday, October 3rd, the following representatives were present:-

Hon. Alex. Holm, C.B.E. (Chairman), Hon. Col. W.K. Tucker, Colonel G.C. Griffiths, Colonel Last King, Captain C.T. Soames, Captain H.Sayer, Messrs. A.C.Hoey, Harold Hill, S. McCall, C.W.Roberts, Elwes Wilson, Klapprott, Bouwer, Cowling, Wright, Spencer, Pritam, Manasvi and Rallaram Aggarwall.

The Hon. Attorney General (Mr. A.D.A.MacGregor) and the Chairman of the Board of Agriculture (Mr.J.F.H.Harper) attended.

In opening the Conference the Chairman said :-

"We are assembled here in Conference this afternoon to discuss matters which are vital to the interests of the Wheat Industry in this Colony.

"The enabling Ordinance which Government has, with the approval of the Legislative Council, placed on the Statute Book is evidence of the agreement that in principle those engaged in the industry should share equally in the responsibilities, financial and others, which are associated with the industry.

"I do not doubt that you will all approach the subject in a spirit of good will and in an atmosphere calculated to remove any difficulties - real or otherwise - which may appear to obtrude.

"In that spirit and that alone is this Conference likely to achieve its object.

"It is the desire of Government that every opportunity should be given to those interested parties - whether growers or millers - to come to a voluntary agreement and Government will use its utmost endeavour to promote such a measure of agreement, and if the need arises to consider the advisability of enforcing such an agreement by use of the statutory powers provided in the Sale of Wheat Ordinance.

"In offering these few general observations let me express the hope that your deliberations will be attended with success."

He then placed before the Conference preliminary statistics in respect of Wheat acreage and production obtained from the Agricultural Census of 1929-1930 now being compiled and also preliminary statistics in respect of the 1930-1931 crop.

Colonel Griffiths proposed the following resolution:

"That this Conference is of opinion that it is vital to the prosperity of the Wheat Industry that all wheat growers should share equally in any disparity between the local milling prices of wheat and the values of wheat exported."

Mr. Hoey in seconding the resolution expressed the hope that an agreement might be reached. He protested however against the delay between the passing of the Ordinance and the Conference. He drew attention to the fact that at

a meeting of Wheat growers held in Eldoret on August 26th, a request for such a Conference had been put forward.

The Chairman replied that His Excellency Sir Edward Grigg had delayed taking immediate action in order to give interested parties an opportunity of considering the position and of coming to a voluntary agreement. For his own part he had taken action immediately in convening the Conference as soon as he had been authorised to do so.

Mr. Hoey accepted the Chairman's explanation, with a request that his protest might be recorded.

The resolution was put to Conference and carried unanimously.

The Chairman then suggested that it would be well first to consider whether an agreement could be reached, and if so, on what basis.

Mr. Hoey explained that he was ready to come to a general agreement on condition that safeguards were provided to cover existing interests. He considered that if the price of wheat was to be controlled, the minimum price of flour also should be controlled, in order to prevent one miller from undercutting the remainder and forcing them out of business.

Colonel East King suggested that in this case it was only reasonable that the price of bread should also be controlled.

Hon. Attorney General explained that Government at present had no powers under which the price of either flour or bread could be controlled.

The Chairman stated 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 difficult question. Further, it was not considered necessary to fix flour prices, and all Millers would be, on an equal basis if they obtained wheat on equal terms.

Hon. Colonel Tucker stated that in the discussion which had preceded the passing of the Sale of Wheat Ordinance, it had been made clear that Government would be prepared to take steps to insure that the price of bread did not rise as a result of the operation of the Ordinance.

The Chairman enquired if Conference could see any way of getting agreement other than by the compulsion involved in implementing the Sale of Wheat Ordinance.

The general opinion of Conference was that it was not possible, and the case was cited of the outside interests in the dairy trade benefitting from the export activities of the Creameries. It was felt that the growers were in agreement as to the need for a "Pool", and that the Millers should come into line by agreement among themselves. If the price of wheat were fixed every mill would start in the same position and it was most unlikely that the Directors of any large Company engaged in milling would be allowed by their Shareholders to operate at a loss merely in order to put their competitors out of business and establish a monopoly.

Mr. Spender feared that a pool from which every grower obtained an equal price for his wheat would discourage the grower who took the trouble to produce a high quality grain.

not asked?

Yes - but some unparliamentary!

Colonel Griffiths explained that the price paid by the "Pool" varied according to the grade of the Wheat supplied, so that this difficulty would not, in practice, obtain.

Mr. Wright put forward a suggestion that the Mills should be allowed to buy all their grain direct themselves, but that they should be compelled to export a certain percentage of all that they bought, that percentage to be fixed according to what was the proportion of the surplus for export to the total production.

The Chairman explained the disadvantages of such a scheme, the principle one being that the export, which is at best a comparatively small amount, would then be divided between the 10 millers in the Colony, and the returns obtained reduced accordingly. He then invited the Indian Millers to express an opinion.

They were all agreed that the price of wheat should be fixed, but considered that the price of flour should not be controlled in any way.

Mr. Rallaram Aggarwal considered that the Agency would not be enough to control the price, but that a Board of Control should be established.

The Chairman in response to a further question by him, explained that Section 15 (f) was inserted only to allow of farmers using gristing mills on their farms for the production of meal, etc., and that no danger need be felt in respect of a miller obtaining large supplies of wheat grown by himself, at an advantageous rate

The Chairman then suggested a short recess to give the representatives of Milling interests an opportunity of coming to an agreement, and in order to assist their deliberations, put before Conference certain statistics in respect of the Milling industry in the Colony.

After Conference had reassembled -

Mr. Hoey stated that he was glad to announce that the Millers saw every prospect of coming to an agreement, and that he was therefore prepared to withdraw his opposition to implementing the Ordinance.

Colonel Griffiths explained that although many farmers were under contract to supply the Eldoret Flour Mill, there was a clause inserted in the contract whereby the Millers had the power, which they were prepared to exercise to annul such contract if the Ordinance came into operation.

Mr. Spencer stated that although he had no such claims in his contracts, he could rely on the goodwill of growers to have them annulled in such circumstances.

Colonel Tucker stated that there was unanimity between the large millers that a price should be agreed upon below which no flour should be sold, but explained that the Indian Millers would have to stand out of this agreement, as they were unable to produce a "Superfine" flour of a standard to compete with that produced by the large millers, who accepted this fact as a reasonable case for such dissention.

Colonel Griffiths then proposed that -

"On the understanding that all contracts in writing as provided in Section 15 (b) of the Ordinance which can legally be cancelled will be cancelled, and that millers and growers who have contracts in writing which cannot legally be cancelled by either party will use their best endeavours to declare such contracts null and void, this Conference requests Government to implement the provisions of the Sale of Wheat Ordinance."

Mr. Pritam seconded the resolution which was put to Conference and carried nem.con., two members not voting.

Colonel Griffiths then proposed -

"That Government should appoint an Advisory Board to advise in regard to the operations of any Agency or Agencies appointed under the Ordinance, such body to consist of two representatives of Wheat Growing interests, two of Milling interests and one of Consuming interests with an Official Chairman."

Colonel East King seconded the resolution, which was carried unanimously.

Colonel Griffiths, in reply to a question put by Colonel East King, assured the meeting that the Kenya Farmers' Association were satisfied that they could finance the "Pool" if they were appointed the Agency.

Mr. Wright again suggested that by appointing only one Agency trade was being hampered, but the Chairman again explained that the export trade would be at an advantage if it was in the hands of one firm only. He also referred to the provisions in Section 15 (a) whereby anyone could export wheat from the Colony unhampered by the provisions of the Ordinance.

The Hon. Attorney General further explained to Mr. Wright that the Ordinance provides for the Agency having to purchase any sound wheat offered, and to make payment within a reasonable time. He also referred to the provision made in Clause 14 for appeal to the Governor.

The Chairman drew attention of Conference to Section 9 of the Ordinance, and stated that payment would have to be made according to grade, which was a matter for settlement between the Agency and Millers.

Mr. Spencer suggested that there might be hardship involved by having only one Agency, in that delay in effecting payment would be incurred.

The experience with the existing Kenya Farmers' Association Wheat Pool however appeared to indicate that this was unlikely.

It was then proposed by Mr. Pritam and seconded by Mr. Bouwer -

"That this Conference recommends that the Kenya Farmers' Association Ltd. be appointed the sole Agency under the Ordinance."

The Resolution was put to Conference and carried by 13 votes to 3.

The Chairman was informed by Colonel Griffiths that there would be a slight difference between the price paid to growers for Wheat, and that charged to Millers, in order to cover the expenses of the Pool. The comparative rates for the lower grades would have to be settled in consultation with Millers.

Mr. Bouwer proposed, and Mr. Rallaram Aggarwall seconded the following resolution, which was carried unanimously -

"This Conference recommends that the proposed Advisory Board should give close consideration from time to time to the prices which should be fixed by the Agency to the Wheat Growers for the different grades of wheat, and similarly to the selling prices of Wheat to the Millers."

The Chairman explained to Mr. Cowling that in a Board of this nature decisions to be of value must express a substantial measure of agreement and that it was, therefore, unnecessary for the growers to be more fully represented in order to maintain a balance. He stated also that it was almost certain that the Board, if appointed, would contain one grower and one milling representative of the Kenya Farmers' Association, and one representative of each from outside the Kenya Farmers' Association. He then expressed his thanks to Conference for the assistance they had rendered, and his congratulations on the agreement which had been reached.

The Hon. Attorney General endorsed his remarks.

Colonel Griffiths proposed a vote of thanks to the Chairman and expressing appreciation of the manner in which he had conducted the proceedings to the Hon. Attorney General, which was carried with acclamation.

126
31

A WHEAT POOL DECISION.

Agreement By The Industry.

PRIVATE MEETING.

The "East African Standard" understands that at a private meeting of all interests in the wheat industry held in Nairobi last week, an agreement was reached in regard to the organisation of a Wheat Pool.

It was decided to ask Government to apply the provisions of the enabling Bill. It will be remembered that when the Bill was passed, Government declined responsibility for the finance or organisation of the Pool and left it to the industry to arrive at an agreement and formulate a scheme for consideration.

It is understood that the Indian millers willingly cooperated in the successful endeavour to reach a decision.

It is further stated that the meeting decided to ask Government to appoint the Kenya Farmers Association as agents under the Bill.

No official statement regarding the meeting or the basis of agreement has been issued.

N O T E.

On examination of the credit facilities proposals here it was noticed that the question of a wheat pool was being discussed in Kenya. The Secretary of State therefore telegraphed saying that he would wish to be consulted before any announcement was made as to a wheat pool. The Governor replied saying that a bill enabling the Governor in Council to set up agencies for the buying and selling of wheat had already been published, and that he proposed to introduce it into the Legislative Council, making it clear that unless all parties interested were prepared voluntarily to co-operate in the working of the agency the Government does not intend to exercise its power.

no. 1

no. 2

In reply the Secretary of State noted the intention to introduce the Bill but said that he would be glad to be consulted before the Government exercised the powers conferred

no. 3

A copy of the Bill, with the Report of the Select Committee, and some preliminary observations by the Governor, was received in No. 6. We now have a copy of the Ordinance as passed.

Before studying the Ordinance it is necessary to set out certain facts regarding the ^{production &}consumption of wheat in Kenya :-

The total production of wheat in Kenya in 1929 was 228,141 200 lb. bags.

Of this 90,583 200 lb. bags were exported and 137,558 disposed of locally, or carried over.

There is a protective duty on the importation of wheat in the grain of Shs. 300, and on ground

wheat

See no. 12 para 2

Office no 1/30

(Customs Tariff)

Cap 100

wheat, flour, etc. of Shs. 450. Before the 17th April last the duties were 5/- and 6/- respectively.

Annual Trade Report 1929
p. 43.

68,605 cwt. of wheat meal and flour were imported into Kenya in 1928.

Wheat & flour

Thus, despite the protective duties and the fact that 90,583 200 lb. bags of wheat were exported, 68,605 cwt. of wheat were imported. It is necessary to appreciate this rather peculiar situation in order to understand the Ordinance.

no. 12
para 2

According to the O.A.G. the principle underlying it is the "desirability of devising some means whereby all wheat growers can be made, in the interests of the industry and the Colony as a whole, to bear a share proportionate to their output in the loss occasioned by the lower price obtained for that portion of the wheat crop which is exported." That is to say that the object is to enable all growers to obtain a proportionate share in the more profitable local market. Also, though it is not expressly so stated, ^{it is} a secondary object would appear to be to increase the total share in the local market of the local wheat.

The Bill ^{in Council} enables the Governor to appoint one or more agencies for the buying and selling of wheat. Only when this ^{is done} has been done does the law come into operation. The following provisions then apply :-

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- (1) No wheat grower shall sell any wheat to any person other than an agency.
- (2) No person other than an agency shall purchase any wheat from any wheat grower.
- (3) An agency shall purchase all wheat offered to it.
- (4) An agency shall not sell wheat to any miller

other

3A

other than one registered under the Ordinance.

(5) No miller shall purchase wheat unless it is supplied to him by an agency.

(6) An agency must satisfy the requirements of all registered millers at the same price for wheat at the same quality.

(7) If more than one agency is appointed they must ^{all} agree to give the growers throughout the country the same price for wheat of the same quality.

(8) Nothing in the Ordinance ^{shall} ~~shall~~, however, be deemed to ~~prohibit~~ ^{prohibit} the sale of wheat for export from the Colony, or the sale, purchase, or milling of wheat grown elsewhere than in the Colony. (9) An agency may sell wheat in any market whether within or without the Colony, but its first duty will be to supply local demands.

The idea thus seems to be to persuade all the wheat growers to join together and to form an agency which will buy all wheat offered it at a uniform and apparently fixed price and sell it ^{again} ~~at the same~~ preferably for local consumption, or, if that is impossible, for export.

It is to be noted that there is nothing in the Ordinance to prevent the grower selling his wheat abroad if he wants to, or to prevent the importation of foreign wheat. Apparently the Ordinance, if put into force, would entail the fixing of the price at which wheat is bought from the growers and sold to the millers, but the Ordinance does not say who is to fix the price; presumably it will be the agency itself. Since there are to be no restrictions on the import of wheat, the agency will ^{have} only have a monopolistic control of local wheat for the local market; it will not therefore be able to raise the price ^{above} ~~to~~ that at which imported wheat sells. ^{But} ~~It~~ will

§ 9

§ 12

§ 13

§ 15 (a) & (d)

§ 11

~~not~~ be seen from the cutting from the "East African Standard" attached that the suggestion that the importation of wheat should be forbidden has been made.

no. 11

1236



KENYA.

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

No. 641

RECEIVED
27 OCT 1930
COL. OFFICE

October, 1930.

My Lord,

(No 6)

With reference to Kenya despatch No.572 of the 5th September, I have the honour to transmit two authenticated copies of Ordinance No.XLIII of 1930 entitled an Ordinance to Regulate the Sale and Distribution of Wheat Grown in the Colony, together with the Legal Report thereon in duplicate furnished by the Attorney General. The Ordinance passed its third reading in the Legislative Council on the 50th August and received assent on the 12th September. Ten printed copies of the Ordinance are being transmitted under separate cover.

2. The principle underlying this legislation is the desirability of devising some means whereby all wheat growers can be made, in the interests of the industry and the Colony as a whole, to bear a share, proportionate to their output, in the loss occasioned by the lower price obtained for that portion of the wheat crop which is exported. Conditions governing the marketing of wheat have operated so unfairly between different sections of wheat growers as to threaten a serious diminution in the production of wheat in the Colony. The total production of wheat in Kenya in 1929 was 228,141 200lb bags, of which 90,585 was exported and 137,558 disposed of locally or carried over. The

Ans. tel NASH cons 4th December

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.1.

area

area planted in wheat at the end of August, 1930 was 74,417 acres, an increase of 8,358 or 12.6% over the 1929 acreage. Crop prospects are good and more than average yields are anticipated. But under present conditions and the low export prices prevailing, many farmers are in danger of being forced out of wheat growing, unless the burden of the export trade can be more widely distributed.

(N. C.)

3. As explained in my despatch of the 5th September, this Government has no intention of operating or accepting any financial responsibility itself in connection with the agency contemplated in the Ordinance. A representative Conference of growers and millers has opened under the Chairmanship of the Director of Agriculture on the 3rd October in the hope of reaching agreement within the industry, and I will keep Your Lordship informed as to the progress of negotiations. In the meantime I trust that His Majesty will be advised not to exercise his powers of disallowance in respect of this measure.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble
servant,

Arthur H. Thomas

ACTING GOVERNOR.

LEGAL REPORT

THE SALE OF WHEAT BILL, 1930.

This Bill enables the Governor in Council to appoint one or more selling and distributing agencies to control the movement of locally grown wheat. On such appointment no person may sell or purchase wheat except to or from an agency.

To enable an agency to forecast the probable local demands for wheat all millers must register within one month of the commencement of the Ordinance or of beginning business.

It is an obligation on every agency to purchase all suitable wheat offered to it, to supply the demands of the East African market before exporting wheat, and to pay the same price to all growers.

The provisions of the Bill do not apply to the sale of wheat for export, or for consumption by animals, the sale of wheat grown outside the Colony, the sale of wheat in pursuance of an existing contract in writing, the sale of seed wheat, or the milling of wheat grown by the miller.

Native grown wheat is subject to the provisions of the Bill, but the Governor may exempt from the provisions of the Bill the sale or purchase of wheat grown by natives in any native reserve or in any part thereof.

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

Nairobi.

3rd September, 1930.

[Signature]
ATTORNEY GENERAL.



Colony and Protectorate of Kenya.

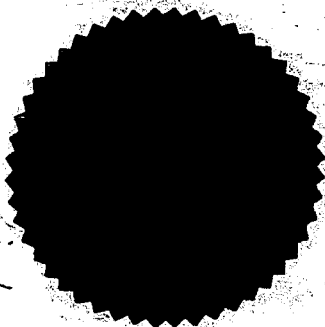
IN THE TWENTY-FIRST YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.

EDWARD WILLIAM MACLEAY GRIGG,
K.O.M.G., K.C.V.O., D.S.O., M.C.,

Governor.

Assented to in His Majesty's
name this 12th day of September
1930.

Edward Grigg
Governor.



An Ordinance to Regulate the Sale and
Distribution of Wheat Grown in the Colony.

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

1. This Ordinance may be cited as "the Sale of Wheat Short title
Ordinance, 1930."

2. In this Ordinance—

Interpretation.

"agency" means the person or body of persons from
time to time appointed by the Governor in Council to be an
agency for the purposes of this Ordinance;

"miller" means a person who by a process of milling
converts wheat into any form of wheat flour for purposes of
sale;

"registered miller" means a miller registered in accordance with the provisions of section 4 of this Ordinance;

"purchase" includes agree or contract to purchase, and connotes taking delivery of the article purchased and making payment therefor within a reasonable time;

"sell" includes agree or contract to sell;

"wheat grower" means any person who grows wheat for sale.

3. The Governor in Council may by proclamation appoint any person or body of persons to be an agency for the purposes of this Ordinance, and may in like manner revoke or vary such appointment. If two or more persons or bodies of persons are so appointed to be agencies, the Governor in Council may in like manner prescribe the area of the Colony in respect of which each of such persons or bodies of persons is appointed to be an agency, or may in like manner from time to time vary such area. As and from the date of any such appointment and so long as there is an agency so appointed the provisions of sections 4 to 11 inclusive shall apply.

4. (1) Every person carrying on the business of a miller shall, within one month of the commencement of this Ordinance, or within one month of his beginning to carry on the said business, register himself as a miller at the office of the district commissioner of the district or one of the districts in which he carries on business.

(2) A fee of five shillings shall be payable for such registration.

5. No wheat grower shall sell any wheat to any person other than an agency.

6. No person other than an agency shall purchase any wheat from any wheat grower.

7. An agency shall purchase all wheat offered to it which is suitable for conversion into flour for human consumption.

8. An agency shall not sell or supply wheat to any miller other than a registered miller; Provided that in the event of two or more agencies being appointed under this Ordinance before the expiration of one month after the commencement of this Ordinance an agency may during such period as aforesaid sell or supply wheat to any miller.

9. A miller shall purchase wheat or receive into his mill any wheat offered for conversion into flour unless such wheat is supplied to him by an agency and every miller shall, if required by an agency, be responsible for the proper grading of wheat delivered to his mill in accordance with the classification of grades of wheat laid down by such agency.

10. Any person who is guilty of a breach of the provisions of any of the foregoing sections shall on conviction before a magistrate of the first or second class be liable for a first offence to a fine not exceeding one hundred pounds, or to imprisonment for six months or to both such fine and such imprisonment, and for a second or subsequent offence to a fine not exceeding five hundred pounds or to imprisonment for twelve months or to both such fine and such imprisonment. Any court which passes sentence on a registered miller for a second or subsequent offence against the provisions of this Ordinance shall forthwith report such conviction and sentence to the Governor in Council and the Governor in

Governor in Council may appoint agency

Registration of millers.

Wheat to be sold to agency

Agency only to purchase wheat

Agency to purchase all wheat offered

Agency to sell wheat to registered millers only

Millers to obtain wheat from agency

Penalty for breach

Council after considering all the circumstances of the case may cancel the registration of such miller, and such miller shall not be entitled thereafter to register as a miller without the consent of the Governor in Council.

11. An agency may sell wheat in any market, whether within or without the Colony, but it shall be the first duty of an agency to supply the demands of the Colony and of other East African territories to the satisfaction of the Governor.

Agency to supply East African demands.

12. An agency shall be responsible to the Governor for satisfying the requirements of all registered millers within the Colony at the same price for wheat of the same quality.

Agency to give equal treatment to registered millers.

13. If more than one agency is appointed, each such agency shall enter into an agreement with each other agency, in a form to be approved by the Governor, whereby each such agency agrees to pay to the wheat grower the same price for wheat of the same quality, and to bear, to an extent proportionate to the amount of wheat handled by such agency, the difference (if any) between the export value of wheat and its selling price in the Colony, regard being had to the ratio between the amount of wheat exported from the Colony by all agencies and the amount sold for consumption within the Colony or any other East African territory.

Agencies to agree as to price of wheat.

14. Any person aggrieved by any decision of an agency, either as to the price to be paid for wheat by such agency or as to the price to be charged for that wheat by such agency or as to the failure or refusal of an agency to purchase wheat from or to supply the legitimate demands of such person for wheat may appeal to the Governor, whose decision shall be final, but nothing in this section contained shall be deemed to deprive any person of any right of action which he may have in any competent court in the Colony.

Appeal from agency to Governor.

15. Nothing in this Ordinance contained shall be deemed to prohibit

Reservations.

- (a) the sale of wheat for export from the Colony;
- (b) the sale of wheat for any purpose in accordance with the terms of a contract in writing duly made before the appointment of an agency;
- (c) the sale of wheat for consumption by animals;
- (d) the sale, purchase or milling of wheat grown elsewhere than in the Colony;
- (e) the sale of wheat to be used for seed purposes;
- (f) the milling of wheat grown by the miller.

Provided that the burden of proving any such matter of exception as is in this section contained shall rest on the person alleging such matter of exception.

16. The Governor may by proclamation exempt from the provisions of this Ordinance the sale or purchase of wheat grown by natives in any native reserve or in any part thereof.

Wheat grown by natives.

17. The Governor in Council may make Rules—
- (a) prescribing the conditions on which an agency may be appointed;
 - (b) prescribing the duties and functions of an agency;
 - (c) generally for the better carrying out of the provisions of this Ordinance.

Power to make Rules.

4

Passed in the Legislative Council the thirtieth day of August, in the year of Our Lord one thousand nine hundred and thirty.

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

E. H. Sandford

Clerk of the Legislative Council.

The East African Standard

UGANDA ARGUS,

FRIDAY, AUGUST 8, 1930.

The Wheat Pool Bill.

The action of the Government of Kenya in publishing for information and criticism a Bill to provide machinery for the establishment of a Wheat Pool and buying and selling agencies, suggests that the alternative of a voluntary agreement among millers has failed to materialise. It will be recalled that during the debate on the Wheat Pool proposal at the end of the recent session of the Legislative Council, Government declined to accept the principle pending the result of the negotiations between interested parties, holding that if such an agreement could be reached the objects in view would in all probability be realised and the need for legislation obviated. It has been quite apparent that the pool idea did not commend itself to Government. It has never commended itself to us. The history of wheat pools in countries more suited to the operation of such marketing machinery has not been a happy or encouraging one and we still fail to discover any reason why it should be anticipated that interference with economic laws and the elimination of competition which accompanies and is part of it—should be expected to meet with special success in Kenya where the wheat crop is a small one and where the exploitation of adjacent markets presents special difficulties including transportation, distribution and even a certain sentimental handicap which no ordinary measures can overcome. The responsibility for the proposed Wheat Pool will quite clearly rest upon the industry, for at least the insistent section of the industry which has apparently failed, by ordinary co-operative methods, to eliminate the outside grower whose dealings with competitive mills have created the difficulties to which the industry, at a time of rock-bottom prices is especially sensitive. The only counter argument of importance is that those who have suffered through the operation of the "pirates" have been the majority and it is in their interests—and incidentally to the advantage of the outsider also—that compulsion is to be applied to the organization of wheat and flour sales. It is perhaps a reflection upon co-operation that, despite the existence of an

organisation which included over ninety per cent of the growers of wheat and controlled the two largest mills in the country, this drastic step should be considered necessary. That is the chief reason why we are forced to believe that the wheat industry alone must be held ultimately responsible for the outcome of this wheat pool proposal. The Bill indicates that it is not intended to interfere with the sale of wheat for export either now or in the future. But it is proposed, subject to two important conditions, that the whole of the wheat required for internal consumption, shall be subject to the control of the appointed agencies. These agencies have two primary responsibilities: firstly to satisfy the Governor that the needs of the East African markets are met before any wheat is exported by them, and secondly that a square deal is given to all mills. If they succeed in doing that, we are perfectly certain the people of the East African Territories will have no cause for complaint and will be unlikely to criticise. It is not going to be an easy scheme to operate, neither is it likely to be inexpensive. The primary intention of the pool scheme is to enable the grower to be paid a higher price for his wheat but out of that higher price must be met the expenses of this new organisation. It cannot replace the Kenya Farmers Association because the function of that co-operative institution are only partially covered by the scheme for the marketing of wheat. Equally clearly the K.F.A. cannot be appointed one of the agencies under the Bill because of the fact that it controls the two largest mills in the Colony and that the threat to those mills through the uncontrolled competition which the Bill intends to eliminate was one of the prime reasons for the measure! In appointing agencies, Government is forced to take into consideration the somewhat involved history of the wheat pool movement and to provide safeguards—either in the form of representation or of disinterested control—which will establish confidence from the start and thereby render unnecessary, as far as possible, the use either of the special channel of appeal or of the civil courts if the experiment is to confer maximum benefits upon the grower of wheat. That is only one of the difficulties. Another may be found in the proposal to confine the compulsory operation of the pool to wheat intended for local markets. If the sale of wheat for exports is permitted unhampered, the agencies may quite conceivably find it impossible at some period to guarantee, with

but during protection that the needs of East Africa will have first consideration. Presumably Government is relying on the fact that the low price obtainable for wheat in the world markets will make it much more profitable to sell to internal agencies. And what if such agencies, having satisfied their local requirements, do not wish to exercise their right to buy for export? The whole position seems to us to need some explanation. One clause in the Bill compels the sale of wheat to the appointed agencies yet the first reservation declares that nothing contained in the Bill shall prohibit sale for export! The Colony has a surplus for export every season and the disposal of that surplus is clearly as important from the point of view of the grower's pocket as the quantity he can sell locally. If the pool is to confer the full benefit upon the industry, it must surely control the whole of the wheat crop and apportion the losses on exports equally throughout the industry. A literal reading of the Bill as it stands to-day suggests, that the only fortunate farmer will be he who offloads his crop upon an accredited agency for local consumption. Immediately the agency reaches the limits of its requirements for local consumption and decides to stop purchasing—there is nothing in the Bill to suggest that the agency shall buy every bag of wheat—the grower who is left with wheat on his hands is in the soup! Throughout the whole of the controversy the general public has maintained a simple attitude—no increase in the price of bread. When flour prices were reduced by ten per cent a few weeks ago, the reduction was followed, after a few days, by a fall in the price of bread. But the same ratio between flour and bread costs has been maintained. The baker's profits have not been seriously reduced. Although following upon the decrease in bread prices the wheat pool proposal may be more generally acceptable, it should be quite clearly understood now that if its operation adds one cent to the present price of bread, it will be deeply resented because the public does not consider that it has had a square deal in the past. One of the most important clauses in the Bill has a direct bearing upon this question. The appointed agencies shall provide the requirements of the mills at a common and equal price. The intention of the pool, as we have said before, is to help the grower by giving him a better return for his produce. If that intention involves an increase in the price of wheat, who is going to fix the figure?

Handwritten notes:
The...
D

Flour...
D

Does Government intend to attempt price fixation, or will the delicate problem which begins with the bag of wheat and ends with the last of bread, be left to the appointed buying and selling agencies? The country would like some information on that very vital point before this enabling Bill is passed. Really may we suggest to Government that unless the importation of foreign wheat and flour is prohibited as soon as the wheat pool is established, there is a risk of the scheme falling entirely. The country has every right, in the interests of the protection of its own industry, to ask that such importation be prohibited. Admittedly the existence of a common Customs agreement may make the step a difficult one to take but Kenya has no desire to interfere in the requirements of neighbouring Territories. Uganda's supplies of imported flour can still come through "in transit" and Tanganyika, with seaports of its own, is in an even less difficult position. We do suggest seriously that when this Bill is introduced to the Legislative Council, the Government should be prepared to make a statement upon its intentions in regard to the importation of wheat and flour. The proposals doubtful as they are in themselves are largely valueless without that added and logical step. We have many misgivings regarding the efficacy of the wheat pool already; if Government contemplates to allow the importation of foreign flour, we shall quite frankly regard the present Bill as a waste of time and money. The wheat growers' hopes by these means to 24/- a shilling or two extra for his wheat. That extra money must come out of the industry itself that is either out of the profits of the miller, the miller man or the baker. It can not come out of the pockets of the general public. If that is clearly grasped and understood, the pool proposal can go ahead.

Handwritten scribble:
D

439

C.O.
R 20 OCT
20

C.O.
W. Bestwood 17/10
Mr. Allen 25/10
Mr. Parkinson

X.16289/30 Kenya.

Mr.
Mr. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Permt. U.S. of S.
Partly. U.S. of S.
Secretary of State.

~~S.O.S.~~

Downing Street,

22 October, 1930.

DRAFT.

Sir,

KENYA

NO. 822.

O.A.G.

[8]

Copy of mail to C.O. M.A. 27 OCT 1930

I have the honour to acknowledge the receipt of Sir Edward Grigg's despatch No. 610 of the 20th September enclosing a copy of the telegram addressed to the Colonial Office by the Executive of the Eastern Africa Indian National Congress with regard to the Sale of Wheat Ordinance and the scheme ^{to} assisting the cereal industry.

2. I request that you will cause the Executive of the Congress to be informed that I have received their telegram, ^{but} ~~and~~ that I see no reason to take any action upon it. ~~At the same time, the Executive should be reminded that the telegram should have been sent to the~~

Copy with A.O.P. to India Office by Mr. L.F. 2/10/30

080

Secretary

~~Secretary of State through the Governor,~~

~~instead of direct.~~

3. I have also received Sir E. Grigg's

despatch No. 572 of the 5th September, (6)

enclosing a copy of the Sale of Wheat

^{as published} Bill, and reporting that the Bill passed

its third reading in the Legislative

Council on the 30th August. I shall

await the promised further despatch in

regard to this measure.

I have, etc.

(Signed) PASSFIELD.



KENYA.

No. 610

8 44
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
13 OCT 1930
COL. OFFICE

H
20 September, 1930.

My Lord,

(No 6)

With reference to my despatch No. 572 of the 5th September on the subject of the Bill to Regulate the Sale and Distribution of Wheat Grown in the Colony, I have the honour to transmit, at the request of the Eastern Africa Indian National Congress, a copy of a telegram which that body has already sent direct to Your Lordship together with the covering memorandum which accompanied it.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble
servant

Edward Gigg

G O V E R N O R .

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON.....S.W.1.

Received - 822. 22 OCT 1930
Copy of/2nd to CO. 19/127 OCT 1930
(in No. 4)

The Eastern Africa Indian National Congress

45

Box No. 166
Add. "CONGRESS."

EXECUTIVE COMMITTEE'S OFFICE

NAIROBI, 5th September, 1930.
(Kenya Colony.)

The Rt. Hon'ble the Secretary of State
for the Colonies,
London,

through Local Government.

Sir,

I am directed by the Executive of the E.A.I.N. Congress to forward you confirmation copy of the telegram sent to you today for favour of ~~xxxxxx~~ consideration and necessary action.

I have the honour to be,

Sir,

Your most obedient servant,

J. Dall

Gen. General Secretary,
E.A.I.N. Congress.

COLONIAL OFFICE
LONDON

EXECUTIVE EAST AFRICAN INDIAN NATIONAL CONGRESS RESPECTFULLY BUT MOST EMPHATICALLY PROTESTS AGAINST WHEAT POOL ORDNANCE 1930 JUST PASSED BY THE KENYA LEGISLATIVE COUNCIL ON THE FOLLOWING AMONG OTHER GROUNDS FIRSTLY GOVERNMENT INTERFERENCE WITH ECONOMIC LAWS BENEFITTING PARTICULAR SECTION IS UNWARRANTED SECONDLY WHEAT INDUSTRY ALREADY HIGHLY PROTECTED BY EXISTING PROHIBITIVE DUTY THIRTY PERCENT ON IMPORTS THIRDLY WHEAT POOL RESULT IN ABNORMALLY HIGH PRICES AND UNDULY INCREASE LIVING COST PRIMARILY INDIAN WHEAT STAPLE FOOD AAA CONGRESS STRONGLY PROTESTS AGAINST PROPOSED SUBSIDY POUNDS SEVENTY THOUSAND WHICH WOULD IMTAIL HARDSHIP ON TAX PAYERS AAA FARMERS PAY NO LAND INCOME OR OTHER TAXES TAX AAA ONCE PRINCIPAL SUBSIDIGATION ACCEPTED WILL RESULT INTO CLAMOUR FROM OTHER INDUSTRIES LIKE COFFEE SUGAR AND PRAYS HIS MAJESTY'S GOVERNMENT TO WITHHOLD CONSENT TO THE ABOVE ORDNANCE AS NO SUCH PRECEDENCE FOR SIMILAR LEGISLATION IN ANY PART OF THE BRITISH EMPIRE AND SUCH MEASURES CONSTITUTE UNJUSTIFIED PATRONAGE EUROPEANS FARMER AT EXPENSE OTHERS

CONGRESS

J. D. Hall
General Secretary
East Africa Indian National Congress

C.O.

X.16289/30/Kenya

747

Mr. Eastwood 30/9
Mr. Allen 2/10
Mr. Parkinson 2/10/30
Sir G. Bottomley 2.10.30
Sir J. Shuckburgh
Sir G. Grindle.

C. D.
R 6-OCT
D 7.

DOWNING STREET,
7 October 1930:

Permt. U.S. of S. *Bille fs*
Party, U.S. of S. 4.10.30.
Secretary of State.

Sir,

I am directed by Lord

DRAFT.

THE UNDER SECRETARY OF STATE,
Economic Services *0-4/1*
INDIA OFFICE. [5]

Passfield to acknowledge the receipt of your letter E. & O. 6889/30, of the 23rd September, together with a copy of a *Indian* telegram from the East African National Congress.

Tr. Govr. 5th Sept. No. 572
No. 6
(and enclosures.)

*Pres reports in one sent
for return*

2. Copies of the Wheat Pool Ordinance as passed by the Legislative Council of Kenya have not yet been received in the Colonial Office; ^{but} I am to enclose for the information of Mr. Secretary Wedgwood Benn, a copy of a despatch which has recently been received from the Governor forwarding a copy of the Bill as published for information on the 5th August,

Wheed

Bring up a week after date of letter if no reply is received from the India Office.

together

together with a copy of the report
of the Select Committee to which it
was referred on second reading, and
a copy of press reports of the
debates in the Legislative Council
on the 28th and 30th of August.

3. The reference in the telegram
to a subsidy of £70,000
from the Congress Committee presumably
the
relates to a scheme for assisting the
cereal industry in Kenya by ~~the~~ a
temporary reduction of railway rates
in respect of the present season's crops;
^{one}
~~only~~ half, namely £35,000, of the cost
of this concession being refunded by
the Colonial Government to the Railway
administration. The question of the
future repayment of this sum of £35,000
to Government by the industry has been
left over for further consideration.
The scheme which makes no racial
distinction between the producers
concerned, is a consequence of the
existing serious agricultural depression

in.

I have added para. 3
for consonance as the
protest from the
Congress executive
relates not merely
to the Wheat Pool
Ordinance, but also
to the assistance of
the cereal industry -
The India Office
probably do not
appreciate that there
are two separate matters
involved.

1/10/20
There is no reason to
putting this in,
though the letter is
really directed
against the
Wheat Pool.
All

in the Colony, and was designed for the purpose of maintaining the grain industry and ensuring the continuance of cultivation and ^{sowing} ~~sowing~~ on an adequate scale. The Secretary of State's approval was only given after the receipt of assurances from the Governor that no justifiable demand for similar assistance from other industries was to be contemplated, and that no necessity for continuing assistance to the cereal industry after the present season was to be anticipated.

4. The Secretary of State has received a ~~similar telegram~~ direct from the Congress and he proposes to request the Officer Administering the Government of Kenya to cause the Congress to be informed that their resolution

a telegram similar to that enclosed in your letter,

has been received, but that Lord *the 178*.

Rassfield sees no reason to take any
action upon it. The Officer Adminis-
tering the Government will at the same
time be asked that the Congress may be
reminded that communications of this
nature should be sent to the Secretary of

State through the Governor, *or over*, as

You can may be

I am,

etc.

HARRISON.

649



KENYA.

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

No. 572

RECEIVED
24 SEP 1930
COL. OFFICE

September, 1930.

My Lord,

With reference to Your Lordship's telegram No. 156 of the 26th August, I have the honour to inform you that the Bill to Regulate the Sale and Distribution of Wheat Grown in the Colony passed its third reading in the Legislative Council on the 30th August. I enclose for Your Lordship's information a copy of the Bill as published on the 5th August together with a copy of the Report of the Select Committee to which it was referred on second reading. A copy of the Press report of the debates in the Legislative Council on the 28th and 30th August is also enclosed.

2. I shall deal further with this measure in a separate despatch transmitting authenticated copies of the Ordinance. It will be observed, however, from accompanying Press report that it was made clear that Government had no intention of operating or accepting any financial responsibility itself in connection with the agency contemplated in the Ordinance, but was taking enabling powers solely in an endeavour to bring the affected parties together, with a view to securing an agreement for co-operation and, if found necessary, to setting up a controlling agency or agencies in the interests of the industry: further, that Government

would

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON.....S.W.1.

4876
copy of a/c and + Press Reports in orig folder
Anand 822-22 OCT 1930
Further and tel Mr. Hill cons (No. 3)

would have no hesitation in exercising its powers of revoking the appointment of such agency or agencies, if and when set up, should it be shown that the operations of any agency were not being fairly conducted, in which event the whole scheme of a wheat pool under Government protection would be annulled.

3. This action, however, which is provided for by the Ordinance is only designed for contingencies which it is hoped may not actually arise. At present there is a definite prospect of the interested parties conferring together with a view to cooperating in a joint arrangement which would be equivalent for practical purposes to a voluntary pool. It is probable that the Government will be asked to call such a Conference and to provide an official Chairman for it, and I trust that as a result this Government may therefore find it unnecessary to use the statutory powers now conferred on it. In any event I do not contemplate the Government exercising more than supervisory control if any compulsory agency is established, and, should such an agency later appear to be required, I will of course keep you informed of any steps proposed to be taken.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble
servant,

Edward Gigg

G O V E R N O R .



A BILL TO REGULATE THE SALE AND
DISTRIBUTION OF WHEAT GROWN
IN THE COLONY.

A Bill to Regulate the Sale and Distribution of Wheat Grown in the Colony.

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

1. This Ordinance may be cited as "the Sale of Wheat Short title Ordinance, 1930."

2. In this Ordinance—

Interpretation.

"agency" means the person or body of persons from time to time appointed by the Governor to be an agency for the purposes of this Ordinance;

"miller" means a person who by a process of milling converts wheat into any form of wheat flour for purposes of sale;

"sell" includes agree or contract to sell;

"wheat grower" means any person who grows wheat for sale.

3. The Governor in Council may by proclamation appoint any person or body of persons to be an agency for the purposes of this Ordinance, and may in like manner revoke or vary such appointment. If two or more persons or bodies of persons are so appointed to be agencies, the Governor in Council may in like manner prescribe the area of the Colony in respect of which each of such persons or bodies of persons is appointed to be an agency, or may in like manner from time to time vary such area. As and from the date of any such appointment and so long as there is an agency so appointed the provisions of sections 4 to 8 inclusive shall apply.

Governor in Council may appoint agency.

4. No wheat grower shall sell any wheat to any person other than an agency.

Wheat to be sold to agency.

5. No person other than an agency shall purchase any wheat from any wheat grower.

Agency only to purchase wheat.

6. No miller shall purchase wheat or receive into his mill any wheat for conversion into flour unless such wheat is supplied to him by an agency.

Millers to obtain wheat only from agency.

7. Any person who is guilty of a breach of the provisions of any of the foregoing sections shall be liable on conviction before a magistrate of the first or second class to a fine not exceeding one hundred pounds, or to imprisonment for six months, or to both such fine and such imprisonment.

Penalty for offences.

8. An agency may sell wheat in any market, whether within or without the Colony, but it shall be the first duty of an agency to supply the demands of the Colony and of other East African territories to the satisfaction of the Governor.

Agency to supply East African demands.

9. An agency shall be responsible to the Governor for satisfying the requirements of all millers within the Colony at the same price for similar quantities of wheat and for wheat of the same quality.

Agency to give equal treatment to millers.

amended?
changes

For

Agencies to agree as to price of wheat.

10. If more than one agency is appointed, each such agency shall enter into an agreement with each other agency, in a form to be approved by the Governor, whereby each such agency agrees to bear to a proportionate extent the difference (if any) between the export value of wheat and its selling price in the Colony, regard being had to the ratio between the amount of wheat exported from the Colony and the amount sold for consumption within the Colony or any other East African territory by each agency.

Handwritten notes:
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= 1/2
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1/2

Appeal from agency to Governor.

11. Any person aggrieved by any decision of an agency, either as to the price to be paid for wheat by such agency or as to the price to be charged for that wheat by such agency or as to the failure or refusal of an agency to supply the legitimate demands of such person for wheat may appeal to the Governor, whose decision shall be final, but nothing in this section contained shall be deemed to deprive any person of any right of action which he may have in any competent court in the Colony.

Reservations.

12. Nothing in this Ordinance contained shall be deemed to prohibit—

- (a) the sale of unmilled wheat for export from the Colony;
- (b) the sale of wheat for any purpose in accordance with the terms of a contract in writing duly made before the appointment of an agency;
- (c) the sale of wheat for consumption by animals;
- (d) the sale, purchase or milling of wheat grown elsewhere than in the Colony;
- (e) the sale of wheat to be used for seed purposes;
- (f) the milling of wheat grown by the miller.

Provided that the burden of proving any such matter of exception as is in this section contained shall rest on the person alleging such matter of exception.

Wheat grown by natives.

13. The Governor may by proclamation exempt from the provisions of this Ordinance the sale or purchase of wheat grown by natives in any native reserve or in any part thereof.

OBJECTS AND REASONS.

The Bill enables the Governor in Council by proclamation to establish a wheat pool consisting of one or more buying and distributing agencies.

As from the date of such appointment the sale of wheat and flour, except through such agency, is prohibited, except in certain cases set out in clause 12.

Handwritten notes:
As from the date of such appointment

53

R E P O R T
O F
A SELECT COMMITTEE OF LEGISLATIVE COUNCIL APPOINTED
TO CONSIDER AND REPORT ON THE PROVISIONS OF A BILL
TO REGULATE THE SALE AND DISTRIBUTION OF WHEAT
GROWN IN THE COLONY.

Your Excellency,

We the members of the above Select Committee have the honour to report that we recommend that the Bill be amended in the following respects:-

1. That the definition of "agency" be amended by inserting the words "in Council" after the word "Governor" in line 5.

2. That there be inserted after the definition of "miller" the following definitions -

"registered miller" means a miller registered in accordance with the provisions of section 4 of this Ordinance;

"purchase" includes agree or contract to purchase, and connotes taking delivery of the article purchased and making payment therefor within a reasonable time.

3. That Clause 3 be amended by substituting the figures "14" for the figure "8" in line 25.

4. That the following be inserted as Clause 4 -
"4. (1) Every person carrying on the business of a miller shall within one month of the commencement of this Ordinance, or within one month of his beginning to carry on the said business, register himself as a miller at the office of the district commissioner of the district or one of the districts in which he carries on business.

(2) A fee of five shillings shall be payable for such registration."

5. That Clauses 4 and 5 be renumbered 5 and 6.

6. That the following be inserted as Clause 7 -

✓ "7. An agency shall purchase all wheat offered to it which is suitable for conversion into flour for human consumption."

7. That the following be inserted as Clause 8 -

✓ "8. An agency shall not sell or supply wheat to any miller other than a registered miller: Provided that in the event of one or more agencies being appointed under this Ordinance before the expiration of one month after the commencement of this Ordinance an agency may during such period of one month sell or supply wheat to any miller."

8. That Clause 6 be renumbered 9 and be amended by adding thereto the following -

"and every miller shall, if required by an agency, be responsible for the proper grading of wheat delivered to his mill in accordance with the classification of grades of wheat laid down by such agency."

9. That Clause 7 be deleted and the following substituted therefor -

"Any person who is guilty of a breach of the provisions of any of the foregoing sections shall on conviction before a magistrate of the first or second class be liable for a first offence to a fine not exceeding one hundred pounds, or to imprisonment for six months or to both such fine and such imprisonment, and for a second or subsequent offence to a fine not exceeding five hundred pounds or to imprisonment for twelve months or to both such fine and such imprisonment.

Any court which passes sentence on a registered miller for a second or subsequent offence against the

the provisions of this Ordinance shall forthwith report such conviction and sentence to the Governor in Council and the Governor in Council after considering all the circumstances of the case may cancel the registration of such miller, and such miller shall not be entitled thereafter to register as a miller without the consent of the Governor in Council.

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10. That Clause 8 be renumbered 11.

11. That Clause 9 be renumbered 12 and be amended by inserting the word "registered" before the word "millers" in line 41, and by deleting the words "for similar quantities of wheat and" in line 42.

12. That Clause 10 be deleted and the following substituted therefor -

10. If more than one agency is appointed, each such agency shall enter into an agreement with each other agency, in a form to be approved by the Governor, whereby each such agency agrees to pay to the wheat grower the same price for wheat of the same quality, and to bear, to an extent proportionate to the amount of wheat handled by such agency, the difference (if any) between the export value of wheat and its selling price in the Colony, regard being had to the ratio between the amount of wheat exported from the Colony by all agencies and the amount sold for consumption within the Colony or any other East African territory."

Handwritten note:
This clause
&

13. That Clause 11 be renumbered 14 and be amended by inserting before the word "supply" in line 10 the words "purchase wheat from or to".

14. That Clause 12 be renumbered 15 and be amended by deleting the word "unmilled" in line 21.

15. That Clause 13 be renumbered 16.

- 16. That the following be inserted as Clause 17 -
- "17. The Governor in Council may make rules -
 - (a) prescribing the conditions on which an agency may be appointed;
 - (b) prescribing the duties and functions of an agency;
 - (c) generally for the better carrying out of the provisions of this Ordinance."

Four of the elected members who were members of the Select Committee would have preferred the appointment of a Wheat Board representative of all interests to control the operations of such agency or agencies as may be appointed.

We have the honour to be,
 Your Excellency's
 most obedient servants,

- A.D.A. MacGREGOR (Chairman)
- H. H. RUSHTON (Member)
- H. T. MARTIN (Member)
- ALEX. HOLM (Member)
- E.M.V. KENEALY (Member)
- E. POWYS COBB (Member)
- J. G. KIRKWOOD (Member)
- F. A. BLISTLER (Member)
- W. C. TUCKER (Member)

NEXT STEP IN THE WHEAT BILL.

Sent to a Select Committee of Legislature.

GOVERNMENT'S POSITION.

Bill Will Only Follow Agreement Within the Industry.

The Sale of Wheat Bill was sent to a Select Committee of the Legislative Council yesterday.

Moving the second reading the Attorney General made several important statements:

That Government has no intention of setting up a Government Wheat Pool.

That Government will not take any financial responsibility for any agency.

That Government is only prepared to apply powers to keep everybody in after it is satisfied that the industry itself has got together and that all interests are willing to agree among themselves.

That Government's job would then be to see that the agency gave all a square deal. If it failed it must cease to operate.

The Attorney General also explained many legal difficulties which affect the prohibition of imports of wheat and flour.

In regard to price fixation he expressed the view that such was inadvisable—and unnecessary in view of the automatic check which would operate through the price of imported flour.

NO PROHIBITION OF IMPORTS.

After a very full debate in the Legislative Council yesterday, the Bill to regulate the sale and distribution of wheat grown in the Colony was referred to a Select Committee. This was done on the suggestion of the Elected Members and His Excellency the Governor agreed to the course being followed.

The Committee will consist of the Attorney General, (Chairman) the Local Government, Lands and Settlement, the Director of Agriculture, Hon. L. W. G. Obbo (Rift Valley), Col. the Hon. W. K. Tunker (Nairobi North), Capt. the Hon. E. M. V. Kenedy (West Kenya), Hon. F. A. Bamister (Mombasa) and Lieut. Col. the Hon. J. G. Kirkwood (Plains North).

In moving the second reading of the measure, the Attorney General stated that it was an enabling Bill only. It made no change in the state of things as they were to-day but it would enable the Governor to establish one or more agencies for carrying out the purposes of the Bill. Shortly, they were to enable the sale and distribution of wheat grown in the Colony to be controlled in the interests of the industry as a whole. If and when an agency or agencies were appointed it would not be competent for any wheat grower to dispose of his wheat, provided it was for human consumption, to any person other than an agency. Therefore it was only fair to provide that it should be the duty of the agency to purchase all wheat which was offered to it, provided always that the wheat was of a quality fit for human consumption.

It was proposed also that the millers operating in the Colony should be registered; there were at the moment 10 of them. This would enable the agency to be fully aware in advance of the claims that were likely to be made upon the stocks that the agency controlled. It was proposed that within one month from the commencement of the Ordinance or one month of the date on which any person began to work as a miller, that he should register with the District Commissioner. Thereafter it should be an obligation on the agency to see that legitimate and reasonable

demands of each miller should be met with complete fairness; the same price for flour of the same quality and in the same quantities to each miller.

Agency's Obligations.

Various other obligations were thrown upon the agency one of the most important being that it should be the duty of the agency to do its utmost to supply the needs of East African territories before it disposed of any flour in any other way. If more than one agency was appointed, each would, to the satisfaction of the Governor, have to enter into an agreement to ensure equality of treatment to all who would be forced by this legislation to deal with that agency further to ensure that each agency irrespective of whether it exported wheat or not should be bound equally with other agencies to share in the loss caused by the necessary export of the surplus wheat produced in the Colony. It was anticipated, said the Attorney General, that this provision would ensure not only equal treatment to all millers and growers in the Colony but would go further and ensure that the loss suffered by a grower to deal with one agency rather than another would not militate against him so far as price was concerned. Even if the agency disposed of the total stocks within the Colony, it would still be bound to have due regard to the amount of wheat exported. The price would be fixed, a general uniform price, for all wheat taking into regard the ratio between local consumption and the quantity exported and that price would be paid, always having regard to the factor of quality supplied, and it would be paid to all growers.

The Attorney General recited the reservations in clause 12 of the Bill—that the Ordinance should not prohibit the sale of unrolled wheat for export from the Colony; the sale of wheat which at the time of the appointment of the agency was the subject matter of a contract; the sale of wheat for consumption by animals; the dealing in wheat from outside the Colony; the sale of seed wheat, or the

(Continued on page 8)

(Continued from page 1.)

NEXT STEP IN THE WHEAT BILL.

ourance of Tanganyika they could not hope to obtain. There was also a provision of an International Convention of 1923 relating to the simplification of customs formalities.

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Kitale,

Kampala.

man that the person growing and the person milling must be the same person in law. A shareholder or partner in a co-operative or limited liability milling concern would not come within the scope of that reservation.

Native Wheat.

It was hoped, said the speaker, to make the provisions of this legislation, if an agency were appointed, applicable to wheat grown by natives also. It would, however, be in the better interests of the native growers to make their own arrangements with the local crushing mill and have it converted into the form of atta which they particularly desired without the intervention of an agency. That was the reason for the last clause in the Bill—exempting by proclamation of the Governor from the provisions of the Ordinance the sale or purchase of wheat grown by natives in any native reserves—and be repeated, that it was merely enabling, and it was expected as far as one could see that only in the rarest cases would recourse be made to it. It enabled the great bulk of the wheat grown by natives to be susceptible to the same treatment as other wheat, and an agency would be able to deal with native wheat.

Prohibiting Imports.

To forestall a certain amount of criticism, the Attorney General dealt with two matters to which a great deal of attention had been given lately—the fixation of prices and the question of the prohibition of the import of wheat and flour into the Colony.

The power of prohibiting imports was given the Governor by section 47 of the Customs Amendment Ordinance 1928, and when the section was read by itself it appeared to give the Governor unlimited powers regarding imports by sea or air. This measure was enacted by the Council at the same time when exactly similar legislation was enacted by the Legislative Council of Uganda, and was similar in wording and content. Section 133 provided that goods imported and intended for transmission to Uganda Protectorate should be deemed to be goods imported for consumption within the territory. "Territory" was defined as meaning the Colony, and Protectorate of Kenya with the territorial waters thereof. The effect was that the prohibition of the importation of wheat or wheat flour by the Governor under the provisions of section 47 would automatically stop the import into the Protectorate of Uganda. That ministry is a step for the taking of which there would be no justification without the full consent and concurrence of the Government of Uganda.

There were other legal obstacles went on the Attorney General, to prohibition. First there were the provisions of the customs agreement between this Colony, Uganda and Tanganyika Territory, providing for the free transit of goods between the various territories under them. It was obvious that if prohibition were imposed there the Tanganyika Territory would be deprived of the provisions for free trade be a simple matter. This was barred by Article 7 of the Mandate from agreeing to such prohibition into the territory, so that the com-

prohibition, and it is necessary to be aware of the most disastrous consequences or government could possibly befall. It should only be the most extreme circumstances that any such interference should be considered, so that what is necessary in these cases to do anything of the sort? If, unfortunately, it would be necessary firstly to fix the price of wheat according to the quality of wheat. It would be equally necessary to fix the price to be charged by the agency for the requirement. Thirdly, and not the least important, it would be necessary to fix the price the miller might charge the baker for the flour milled by him. Some members would say they could go further and fix also the price of bread to the consumer. But once they assumed that prohibition was not a practical possibility, was it necessary to fix the price for wheat or flour? Imported wheat was charged with a duty of Shs. 8 per 100 lbs. with an additional surcharge of duty of Shs. 1/6 per 100 lbs. In other words, talking in bags of 200 lbs., the duty was Shs. 9 per bag. The wheat recently imported were—imported flour, duty paid ship's stinks, Mombasa, Shs. 20 supercargo flour, at Nairobi, Shs. 24/00; Kenya flour, at Nairobi, Shs. 22/00; Kenya flour, at Mombasa station, Shs. 24. There was, therefore, a difference in favour of local flour of Shs. 8 per bag of 200 lbs. at Mombasa, and Shs. 14/00 in favour of Kenya flour at Nairobi. The figures for the two are equally favourable to the local product. Imported atta duty paid Mombasa, Shs. 20. It is possible with present marketing conditions to deliver Kenya flour in Dar-es-Salaam at Shs. 27 for a bag of supercargo Shs. 1 for cash, or less than one ton, while atta could be delivered at Shs. 24. Surely with the argument of a range of prices between the price of imported flour subject to duty as against the locally produced flour with no duty and country produced flour on the railway, there was sufficient scope for ample competition, and such competition must leave the edge of fixing prices to the advantage of all concerned without any interference from the Council. The consumer, he added, could gain comfort from the fact that flour is to rise in price, at least Shs. 5 per bag before the price of the loaf could be advanced by 3 cents. He stated if it would not be causing disaster to attempt to fix prices and put an entirely undue burden on any person or body of persons to enable them to do so, unless it was clearly envisaged from the outset that that enabling power would never be exercised.

Industry Responsible.

The Attorney General then explained the Government's attitude that the pleasure was an enabling one only, that the Government had no intention of setting up a Government wheat pool, that the Government would not undertake any business interest in the operation of any agency, nor would it undertake any

operational responsibility for the operation of any agency. It is for the industry as a whole to put together. When the Government is satisfied that the industry has got together the question of the establishment of an agency will become a practical question, but the initiative in the first place must come from the industry. If the industry can bring everyone in and can get the cooperation of all interested, then the Government will be prepared to see that these compulsory powers shall keep them all in. That was in the view of the Government the correct attitude to adopt towards the provisions of the Bill, there would be no compulsion unless compulsion was immediately welcome.

To Secure Agreement.

He added that the utmost advantage of the Government would be derived in the interests of the industry to getting the interested parties together and keeping them together, and trying to evolve a solution of the problem which faced the wheat industry at the present. But the first step, he reiterated, must come from the industry itself. Furthermore, if an agency were appointed, the functions of the Government would not be supervision and inspection, but to ensure in the interests of all that complete fairness was given to all. If it failed in that permanent duty the appointment must cease.

In a word, the attitude of the Government was to secure agreement between the various interested parties. Having given the necessary effect to that agreement by means of the appointment of an agency, the whole of Government's time and attention would be directed to ensuring that that agency gave the best and equitable treatment to all concerned. The Acting Solicitor General responded to the motion for the second reading of the Bill, which was their view on the Bill, which was a satisfactory one, and submitted that the Council will resting on Saturday morning when the report of the Committee, it is anticipated, will be submitted, and that Bill passed through its final stages.

The following question was recently addressed to Government by Colonel the Hon. W. K. T. Luke (Nairobi North):

"Will the Hon. the Colonial Secretary inform this House what progress, if any, has been made with regard to the issue of another Loan, and in particular, whether any advice has been sought or received from the Government's financial advisers in the City of London as to the most appropriate date for the issue of another Loan. The term upon which the Crown Agent are financing the approved Loan Works of the Colony are very advantageous, and so long as those conditions exist there would appear to be no good grounds for urging the immediate raising of the Loan. The Secretary of State and his expert advisers, who are fully informed both as to the Colony's financial position and the state of the London market, would in the ordinary course advise the Government as to the most appropriate date."

The following written answer has been forwarded to the Hon. Member:

"No advice has been sought or received from the Government's financial advisers in the City of London as to the most appropriate date for the issue of another Loan. The term upon which the Crown Agent are financing the approved Loan Works of the Colony are very advantageous, and so long as those conditions exist there would appear to be no good grounds for urging the immediate raising of the Loan. The Secretary of State and his expert advisers, who are fully informed both as to the Colony's financial position and the state of the London market, would in the ordinary course advise the Government as to the most appropriate date."

The Weather.

RAINFALL RETURN FOR THE WEEK.

The following is the B.E.A. Meteorological Service's Weekly Report for the week ending August 27 at certain stations in the Colony and Protectorate of Kenya:

District	Over a period of 7 days	Total
Aug. 20/27th <td>Jan.-Aug</td> <td></td>	Jan.-Aug	
Mildura	0.96	42.57
Elidama Ravine	1.70	40.51
Fort Hall	0.47	30.98
Kabete	0.01	60.23
Kancho	1.51	61.84
Kilifi	0.66	
Kipkarren River	2.83	44.98
Kitala	1.55	42.18
Koru	0.88	65.14
Kyambu	0.07	43.89
Limuru, Mabronka	0.28	
Limuru, Factory		
Litloru,		
Yogi Farm	0.24	63.89
Lumbwa	1.81	46.05
Lumbwa	1.05	32.53
Machukou Road	0.00	24.23
Makindu	0.64	17.86
Malindi	0.00	48.11
Meru	1.48	37.75
Mombasa	0.86	29.81
Mombasa	0.01	48.48
Nairobi	0.45	81.65
Naivasha	0.73	89.07
Nakuru	0.01	
Nanyuki	0.00	
Narok	0.00	44.68
Ngeong	2.02	88.11
Nioco	0.18	
Rufu	0.63	29.89
Rumuruti	1.80	
Rumuruti	1.69	45.66
Soy	0.00	
Thika	0.00	
Tsavo		

The Caledonian Society.

SUCCESSFUL ANNUAL MEETING.

The Caledonian Society of Kenya (Nairobi) held its annual general meeting on Friday last at the very Stanley Hotel. There was a full attendance of members and a long agenda was got through very expeditiously.

The Hon. Secretary's report was read and approved. In his report the Hon. Secretary drew attention to the general membership and the Scotch. The dance last year was a distinct success, and the dinner a record in attendance for Nairobi. The golf tournament played at Muthaiga Golf Course had caused a great deal of interest and had brought together a large number of enthusiasts. The entries had doubled that of previous years and it was generally expected to see a still greater entry this year, when the tournament will be played over the Hill country. Socially and financially everything undertaken during the year had achieved success.

During the year a very old member of the Society had retired and Captain J. B. Robertson, M.B.E., who had served the Society on the Committee, as Hon. Secretary and as President for 10 years. The Hon. Secretary and the Society to record their thanks to Captain Robertson.

The Hon. Treasurer's report

Transfer (Amendment) Bill, which was in charge of the Attorney General.

He explained that when the original Ordinance was passed in June of this year it was unfortunately overlooked that it meant, in effect, a substantial increase in the Stamp Duty payable on the type of instrument with which that legislation dealt. Prior to the enactment of the measure, transactions were carried through by means of letters of hypothecation, on which a flat rate of Stamp Duty of Sh. 1/- was charged. Instruments under the Ordinance were subjected to a Stamp Duty at the rate of one-quarter per cent. on the amount of advance covered by the instrument, and Duty of £70 had been paid on one such instrument already registered. Government did not look to revenue as a source of income, and so the Bill provided for a flat rate of Sh. 1/- per instrument. The contention would also be extended by retaining the duty on receipts for the purchase price of chattels at the present amount of 10 cents. Again, to avoid the formality of forwarding instruments to Nairobi to have an embossed stamp placed on them it would be sufficient if adhesive stamps were used.

The Attorney General made it clear in reply to a question by the Hon. E. Powys Cobb that those persons who had paid stamp duty at the higher rates would be entitled to a refund.

Laid on the table was the report of a Select Committee appointed to consider and report on the provisions of a Bill amending the Brokers Ordinance. In connection with this, a petition was presented at the last session from the goldsmiths and silversmiths licensed under the existing Ordinance complaining of some of the proposed provisions. The Committee stated that they were of opinion

STATE RELIEF FOR FARMERS.

(Continued from page 7.)

one being that a second or subsequent offence with conviction must be reported to the Governor in Council, the corollary being that on consideration of all the circumstances, the registration of a miller could be cancelled, and he would be disqualified from re-registration without the consent of the Governor in Council.

The last point was a new clause that the Governor in Council may make rules (a) prescribing the conditions on which an agency may be appointed, (b) prescribing the duties and functions of an agency, (c) generally for the better carrying out of the provisions of this Ordinance. In this connection the Attorney General quoted the final paragraph of the report: "Four of the elected members who were members of the select committee would have preferred the appointment of a Wheat Board representative of a interests to control the operations of such agency or agencies as may be appointed." The opposition was overcome, he said, by the Governor, and which he wished to repeat publicly: "that in considering the appointments of an agency the Government would deem it one of their most important duties to take all steps to ensure that the personnel of the board of that agency will be such as will adequately represent all interests and ensure fair and equitable treatment of all sections of community affected by the provisions of this legislation."

Hq. moved the adoption of the report, which the Acting Solicitor General seconded.

Price of Bread.

Hon. W. C. Mitchell (Nairobi South) was still disappointed with the form of control, and said the only safeguard left the consumer was the cancellation by proclamation of any agency appointed. He made the plea that in the event of the operation of the scheme involving any increase in the price of bread, to the consumer it would again be reviewed by Government.

On this point Col. the Hon. W. K. Tucker, (Nairobi North), said that according to all the evidence available, the price of bread in Kenya was less dependent on the price of flour than in any other part of the world. There were many other factors that came in to make up the price of bread, factors which the wheat growers could not control, such as further increases in rent in Nairobi, importing expensive bakers from overseas, and so on.

Mr. Mitchell said he only asked for the assurance in case the operation of the scheme might increase the price of bread.

The Director of Agriculture said that in the opinion of the Governor's advisers any attempt at fixation of price or price control would fail because of the complicated character of the business to be transacted. There was ample evidence to show that neither wheat grower nor miller in this Colony was exploiting the position which they had been placed in through protected duties and preferential rates on the railway.

The Attorney General gave Mr. Mitchell the assurance he sought. "If by reason of the establishment and operation of an agency under this legislation, the price of bread to the consumer is increased, Government will certainly at once give the most careful consideration to the question and review the whole situation."

With that the debate ended. The report was adopted, and the Bill was read the third time and passed.

Wheat Bill Passed. GOVERNMENT AND THE PRICE OF BREAD.

The Bill to regulate the Sale and Distribution of Wheat Grown in the Colony passed its second and third readings in the Legislative Council, meeting at Nairobi, on Saturday.

A lengthy report was submitted by the special committee to which it was referred on Thursday, and the Attorney General explained that it introduced four new points into the Bill. The first was the definition of the word "purchase" as meaning to include agree or contract to purchase, and controlling delivery of the article purchased and making payment therefor within a reasonable time. The second was to make a miller responsible for an agency, to be established as laid down by the agency, as in practice the wheat would go direct from the grower to the miller. The third recommendation amplified the penal provisions,

(Continued on page 8.)

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public works which the House had pledged itself to go on with. "The farmers are asking for relief, but I think the unemployed people should ask for relief; money is cheap and employment bad, and there never was a better time for carrying on your public building and increasing in every possible way an economic proposition. He would never assist or encourage any idea of stopping the expenditure of public money on really good economic projects.

Having made these temporary admissions, Hon. E. Bowry, Cobb (Rift Valley) hoped that the Railway would find them so satisfactory as to make them permanent and, as shall see a permanent reduction of rates on cereals. He again reiterated that under the present system the cost to the ship's slings of cereals was far above that of competing countries and he blamed it partly on the branch line charges, which he believed were unjust in their incidence. Every effort should be made to cheapen the method of handling cereals in this country and until that was done he would not be satisfied the cereal exports had been put on a fair basis of competition with other countries.

Canon Leakey (Member representing Native Affairs) identified himself with the motion as a genuine attempt on the part of the Government to alleviate a difficult position, while it was giving an opportunity to hear that native growers would benefit.

In the course of his reply the Director of Agriculture said that the sailing in respect of maize would be fully covered by the flat rate of Shs. 11.20 per ton to the coast. In the case of wheat and barley, as the motion indicated, relief would be confined to railway freight rates and port charges, but the railway rates would also include branch line rates.

In respect of the ordinary freight rate and port charges the relief on wheat and barley amounted to Shs. 1.67 a bag, to which would be added the amount of relief under the branch line rates. It was believed the amount would not fall far short of Shs. 2/. He assured Mr. Harvey that the relief would be passed on in full to the growers, and regretted no more definite statement could be made on the subject of refunding. The administration of the relief would be handled by the Railway, and there would be no delay in paying out the amounts due, already substantial progress had been made in preparation in anticipation of the motion being carried.

Locust Menace Over.

Regarding the locust menace, there was no record in the Colony to-day of either hoppers or flying swarms or laying swarms, except scattered flying swarms in parts of Turkana. During the last two or three months comparatively small swarms found in the Baringo district and near Marsabit had been wiped out. "My opinion is that the menace of locusts has passed in this Colony for some years to come; I do not see any reason to anticipate that farmers for some years to come will suffer any more damage from locust destruction."

He informed Col. Kirkwood that it was impracticable to give

Any further communication on this subject should be addressed to—

The Under Secretary of State for India,
Economic & Overseas Department,
India Office,
London, S.W. 1,
and the following references quoted:—
E. & O. 6889/30.



INDIA OFFICE,
WHITEHALL,

59

LONDON, S.W. 1

23rd September, 1930.

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Victoria 6020. I.O. Ext. No. _____
Telegrams:—
Retaxandum, London.

RECEIVED
24 SEP 1930
COL OFFICE

Sir,

I am directed by the Secretary of State for India to transmit for the information of the Secretary of State for the Colonies, and for any observations he may wish to offer, copy of a telegram received from the Executive Committee of the East African Indian National Congress protesting against the Wheat Pool Ordinance stated to have been recently passed by the Kenya Legislative Council.

dated 5th
Sept. 1930.

2. I am to request that, should Lord Passfield see no objection, a copy of the Ordinance may be communicated to this Office.

I am, Sir,

Your obedient Servant,

E. Turner

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

Amind 7 OCT 1930

Copy of telegram from East African Indian National Congress to Mr. Polak, dated 5th September, 1930.

"EXECUTIVE EAST AFRICAN INDIAN NATIONAL CONGRESS RESPECTFULLY BUT MOST EMPHATICALLY PROTESTS AGAINST WHEAT POOL ORDINANCE 1930 JUST PASSED BY KENYA LEGISLATIVE COUNCIL FOLLOWING AMONG OTHER GROUNDS FIRSTLY GOVERNMENT INTERFERENCE WITH ECONOMIC LAWS BENEFITING PARTICULAR SECTION IS UNWARRANTED SECONDLY WHEAT INDUSTRY ALREADY HIGHLY PROTECTED BY EXISTING PROHIBITIVE DUTY THIRTY PER CENT ON IMPORTS THIRDLY WHEAT POOL WILL RESULT IN ABNORMALLY HIGH PRICES AND UNDULY INCREASE LIVING COST PRIMARILY INDIAN WHOSE STAPLE FOOD AAA CONGRESS STRONGLY PROTESTS AGAINST PROPOSED SUBSIDY POUNDS SEVENTY THOUSAND WHICH WOULD ENTAIL HARDSHIP ON TAX PAYERS AAA FARMERS PAY NO LAND INCOME OR OTHER DIRECT TAX AAA ONCE PRINCIPAL SUBSIDISATION ACCEPTED WILL RESULT INTO CLAMOUR FROM OTHER INDUSTRIES LIKE COFFEE SUGAR AND PRAYS HIS MAJESTY'S GOVERNMENT WITHHOLD CONSENT ABOVE ORDINANCE NO SUCH PRECEDENT FOR SIMILAR LEGISLATION ANY PART BRITISH EMPIRE AND SUCH MEASURE CONSTITUTE UNJUSTIFIED PATRONAGE EUROPEANS FARMER AT EXPENSE OTHERS.

CONGRESS".

WKL

6 SEP 1930
L.O.O. OFFICE

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L.O.O. COLONIAL OFFICE LONDON

EXECUTIVE EAST AFRICAN INDIAN ~~XXXXXX~~ NATIONAL CONGRESS
RESPECTFULLY BUT MOST EMPHATICALLY PROTESTS AGAINST WHEAT
POOL ORDINANCE (1930 JUST PASSED BY KENYA LEGISLATIVE
COUNCIL FOLLOWING AMONG OTHER GROUNDS FIRSTLY GOVERNMENT
INTERFERENCE WITH ECONOMIC LAWS BENEFITTING PARTICULAR

1936 10/10/1937 10/10/1937 10/10/1937 10/10/1937

INTERFERENCE WITH ECONOMIC TARIFF BENEFITTING BANKING
 OFFICIALS BOTTOMING UNDER OTHER CONDITIONS FIRST A COLLECTIVE
 FOOD SUBSIDY TO BE PASSED BY KENYA PARLIAMENT
 BEING THE ONLY ONE WHICH ENHANCES THE PROGRESS AGAINST THE
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SECTION IS UNWARRANTED SECONDLY WHEAT INDUSTRY ALREADY
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 PERCENT ON IMPORTS THIRDLY WHEAT POOL WILL RESULT IN ABNORMALLY
 HIGH PRICES AND UNDULY INCREASE LIVING COST PRIMARILY
 INDIAN WHOSE STAPLE FOOD AAA CONGRESS STRONGLY PROTESTS
 AGAINST PROPOSED SUBSIDY POUNDS SEVENTY THOUSAND WHICH
 WOULD ENTAIL HARDSHIP ON TAX PAYERS AAA FARMERS PAY NO

MOUNTED ENTIRE HANDS ON TAX BALKS AND EARNERS BY NO
 AGAINST PROPOSED SUBSIDY BONDS SEVENTY THOUSAND WHICH
 INDIVIDUAL WHOSE STABLE FOOD AND CONGRESS STRONGLY PROTESTS
 HIGH PRICES AND PRODUCE INCREASE FILING COSTS PRIMARILY
 PERCENT ON EXPORTS THIRDLY WHEAT BOOGE WILL RESULT IN ABRUPTLY
 HIGHLY PROTECTED BY EXISTING PROTECTIVE DUTY THIRDLY
 SECTION IS UNWARRANTED SECONDLY WHEAT INDUSTRY ALREADY

(5)

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TELEGRAMS
TELEGRAPHS.

Charges to pay	This form, and if possible, the envelope should accompany any message regarding this telegram.	
Received from	Office of Origin, Foreign Number, No. of Words, Date, Time handed in, and Service Instructions	
M	(3)	Sent
By		To
		By

LAND INCOME OR OTHER DIRECT TAX AND ONCE PRINCIPAL
 SUBSIDISATION ACCEPTED WILL RESULT INTO CLAMOUR FROM
 OTHER INDUSTRIES LIKE COFFEE SUGAR AND RICE PRAYS HIS
 MAJESTY'S GOVERNMENT WITHHOLD CONSENT ABOVE ORDINANCE NO
 SUCH PRECEDENT FOR SIMILAR LEGISLATION ANY PART BRITISH
 EMPIRE AND SUCH MEASURE CONSTITUTE UNJUSTIFIED PATRONAGE
 EUROPEANS FARMER AT EXPENSE OTHERS CONGRESS ***

RECEIVED
25 AUG 1930
COL. OFFICE

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64

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

Dated 24th August, 1930.

(Received Colonial Office 12.40 p.m. 24th August, 1930.)

Immediate.

(No 4)

Cons Tel 26/8/30

24th August. Your telegram 17th August No. 144 wheat Pool. Prior to receipt of your telegram, owing to situation in wheat industry Government had considered it desirable to have powers to appoint one or more agencies for purchase and distribution of wheat if existing agencies were unable voluntarily to agree to pool their resources as generally advocated by all interested parties. Accordingly an Enabling Bill was published on 5th August and I desire to emphasise that it is not the intention to set up a wheat pool in the generally accepted sense. The Bill gives power to Governor in Council to set up one or more agencies and Government will have no financial interest or responsibility therefor, I propose to introduce Bill on 28th August, making it clear that unless all parties interested are prepared voluntarily to cooperate in the working of such agencies, Government does not intend to exercise its power.

~~Handwritten scribble~~

Original on 16/12/30 Kemp

65 ✓
END

No. 114

Extract from Telegram from the Secretary of State for the Colonies to the Governor of Kenya, dated 18th August, 1930.

X X

I should be glad to be consulted before any announcement is made regarding proposal for wheat pool if still contemplated.

In view of experience elsewhere I am far from satisfied as to the desirability of compulsory schemes of that nature.